

PRODUCT DISCLOSURE STATEMENT



FOR AN OFFER OF
FIXED RATE BONDS
MATURING 15 JUNE 2020
BY **THE WAREHOUSE
GROUP LIMITED**

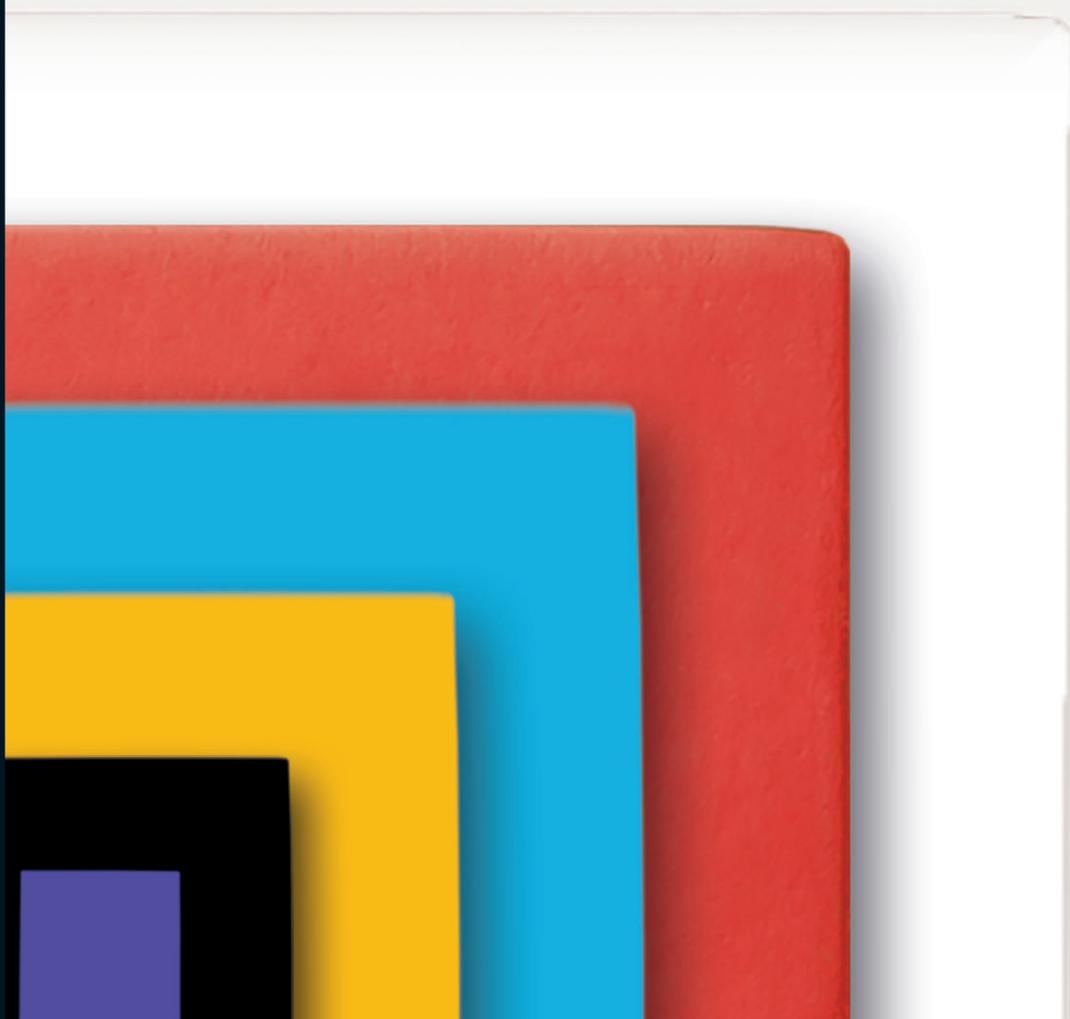
Dated 7 May 2015.

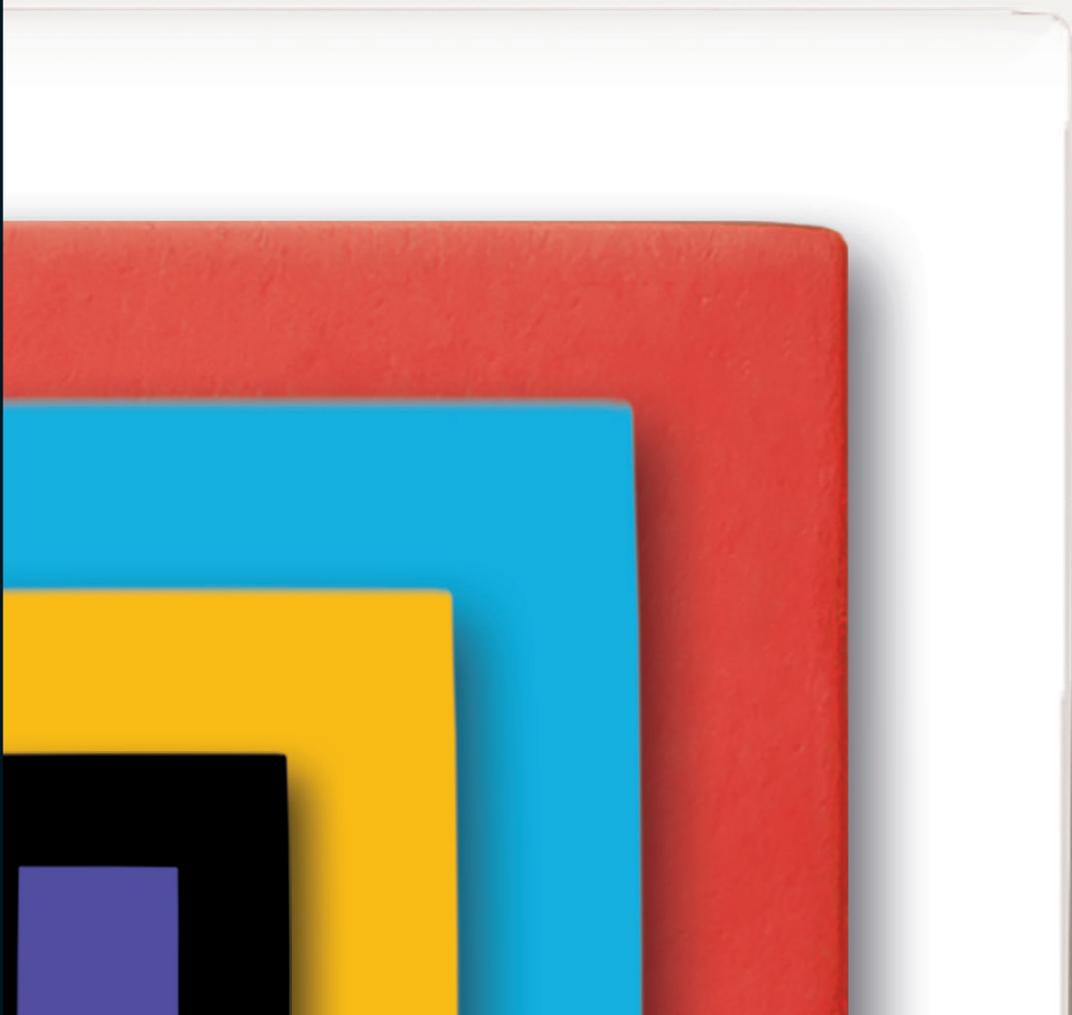
This document gives you important information about this investment to help you decide whether you want to invest. There is other useful information about this offer on www.business.govt.nz/companies/disclose. The Warehouse Group Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013. You can also seek advice from a financial adviser to help you to make an investment decision.

Arranger and Joint Lead Manager:

DeutscheCRAIGS

Joint Lead Managers:







KEY INFORMATION SUMMARY

What is this?

This is an offer of unsecured, unsubordinated, fixed rate bonds (**Bonds**). The Bonds are debt securities issued by The Warehouse Group Limited (**WHS**). You give WHS money, and in return WHS promises to pay you interest and repay the money at the end of the term. If WHS runs into financial trouble, you might lose some or all of the money you invested.

About WHS Group

WHS and the companies that it owns make up WHS Group. WHS Group is made up of WHS Retail Group and WHS Financial Services Group.

WHS Retail Group comprises WHS and its Subsidiary companies that are engaged primarily in the retail of general merchandise and apparel, stationery, appliances, outdoor and adventure sports goods.

WHS Financial Services Group comprises Subsidiary companies of WHS that are involved in the provision of financial services (referred to as **Financial Services Entities**).

Only members of WHS Retail Group guarantee the Bonds. None of the members of WHS Financial Services Group guarantee the Bonds.

Purpose of this Offer

WHS will use the proceeds of the Offer to repay its fixed rate bonds that mature on 15 June 2015 (**Maturing Bonds**) and for general corporate purposes of the Guaranteeing Group (which excludes the financial services business). This Offer forms part of WHS' ongoing capital management strategy.

Key terms of the Offer

Description	Unsecured, unsubordinated, fixed rate bonds.
Term	5 years maturing on 15 June 2020.
Offer amount	Up to \$100 million with the ability to accept oversubscriptions to bring the total issue size up to \$125 million at WHS' discretion.
Structure of the Offer and who can apply	<p>The Offer consists of two parts:</p> <ul style="list-style-type: none">• a General Offer of up to \$75 million, open to institutional investors and members of the public resident in New Zealand; and• an Exchange Offer of up to \$25 million, open to holders of the Maturing Bonds resident in New Zealand. <p>WHS also has the ability to accept oversubscriptions across the two Offers at its discretion to bring the total issue size up to \$125 million.</p>
Interest Rate	The Interest Rate applicable to the Bonds will be set on 19 May 2015 by WHS and the Joint Lead Managers following completion of the Bookbuild.
Interest Payment Dates	<p>Semi-annually in arrears on 15 June and 15 December in each year (or if that day is not a Business Day, the next Business Day) up to and including the Maturity Date, commencing 15 December 2015.</p> <p>Early bird interest will also be paid on application money paid in respect of accepted applications within five Business Days of the Issue Date. More information on how early bird interest is calculated can be found in section 3 of this PDS (Terms of the Offer).</p>
Offer Opening Date	20 May 2015.
Closing Date	Exchange Offer: 5 June 2015. General Offer: 10 June 2015.

KEY INFORMATION SUMMARY

Who is responsible for paying you?

WHS is responsible for paying interest on the Bonds and for the repayment of the Bonds. The Bonds are guaranteed by certain members of WHS Retail Group that are both wholly owned subsidiaries of WHS and are considered to be 'Substantial Subsidiaries'. The Bonds are also guaranteed by Torpedo7 Group and Waikato Valley Chocolates Limited which are part of WHS Retail Group but are not wholly owned by WHS. WHS and the Guarantors of the Bonds are together referred to as the Guaranteeing Group. Not all members of WHS Group guarantee the Bonds. None of the members of WHS Financial Services Group guarantee the Bonds.

More information on the Guarantee and the Guarantors can be found in section 6 of this PDS (Key features of Bonds).

How you can get your money out early

Neither you nor WHS is able to redeem the Bonds before the Maturity Date, other than if there is a Change of Control of WHS. In the event of a Change of Control, WHS may elect to redeem all of your Bonds or you may elect to require WHS to redeem your Bonds. More information on the Change of Control can be found in section 3 of this PDS (Terms of the Offer). WHS may be required to repay the Bonds early if an Event of Default occurs. See section 6 of this PDS (Key features of Bonds) for more information.

WHS intends to quote these Bonds on the NZX Debt Market. This means you may be able to sell them on the NZX Debt Market before the end of their term if there are interested buyers. If you sell your Bonds, the price you get will vary depending on factors such as the financial condition of WHS and WHS Group and movements in the market interest rates. You may receive less than the full amount that you paid for them.

How Bonds rank for repayment

The Bonds will rank equally with WHS' other unsecured and unsubordinated obligations. This means in a liquidation of WHS, your rights and claims as a Bondholder:

- will rank **after** all secured creditors (if any) and creditors preferred by law (e.g. employees up to a cap of \$20,340 each and Inland Revenue in respect of unpaid tax);
- will rank **equally** with other Bondholders and equally with the rights and claims of holders of equal ranking obligations (including the lenders of bank debt and all other unsecured, including trade, creditors); and
- will rank **ahead** of holders of subordinated debt (if any) and Shares in WHS.

The Guarantee from each of the Guarantors also ranks equally with all other unsecured and unsubordinated obligations of the Guarantors.

More information on how the Bonds rank for repayment can be found in section 6 of this PDS (Key features of Bonds).

No security

The Bonds, and the Guarantors' obligations under the Guarantee, are not secured against any asset of WHS or the Guarantors.

Where you can find WHS Group's financial information

The financial position and performance of WHS Group are essential to an assessment of WHS' ability to meet its obligations under the Bonds. You should read section 7 of this PDS (WHS Group's Financial information).

Key risks affecting this investment

Investments in debt securities have risks. A key risk is that WHS does not meet its commitments to repay you or pay you interest (credit risk). Section 8 of this PDS (Risks of investing) discusses the main factors that give rise to the risk. You should consider if the credit risk of these debt securities is suitable for you.

The Interest Rate for these Bonds should also reflect the degree of credit risk. In general, higher returns are demanded by investors from businesses with higher risk of defaulting on their commitments. You need to decide whether the Offer is fair. WHS considers that the most significant risk factors are:

- **Competitive position:** WHS Group's competitive position may deteriorate as a result of factors including actions by existing competitors, the entry of new competitors or a failure by WHS Group to continue to position itself successfully as the retail environment and technology change. Whilst WHS Group closely monitors its competitive position, it is difficult to anticipate actions by competitors and consequently assess the likelihood that its competitive position will deteriorate. Any deterioration in WHS Group's competitive position on a sustained basis may result in a decline in revenue and margins and a loss of market share. Within WHS Group, a change in The Warehouse's competitive position would have the greatest impact. A successful execution of WHS Group's strategy to diversify its business by growing its non-Warehouse retail divisions would reduce the impact of changes in The Warehouse's competitive position to the wider WHS Group.
- **Customer preferences:** WHS Group may fail to gauge and satisfy customer preferences or adapt or expand its product offering, stores, channels or technologies to the changing demands of its customer base on a timely

KEY INFORMATION SUMMARY

basis or at all, which may adversely affect WHS Group's market share or revenues. WHS Group closely monitors customer preferences and market trends, however it is inherently difficult to assess the likelihood that they will change. Similarly, it is inherently difficult to assess the likelihood of events occurring outside its control. If WHS Group misjudges those preferences or fails to convert those market trends into appealing product offerings on a timely basis, or is negatively impacted by such events outside its control, this may result in lower revenue and margins.

- **Suppliers:** WHS Group's suppliers may cease providing merchandise, change pricing levels, experience operational or transportation difficulties or incur increased production or transportation costs which they may seek to pass on to WHS Group. If this occurs in relation to one or more major suppliers and WHS Group is unable to make acceptable alternative arrangements, WHS Group may suffer inventory shortages, a reduction in revenue and a loss of market share which may adversely affect its future financial performance. WHS Group has a large number of suppliers and so considers the likelihood of this risk occurring as relatively low.

WHS Group sources products from foreign suppliers. The Warehouse Limited has the greatest exposure to foreign suppliers with around 86% of products sourced from overseas, of which the majority are sourced from a large number of suppliers in China. A diversity of suppliers mitigates some of the key supplier risks, but WHS Group is still exposed to country specific risks where those suppliers operate. WHS Group is also exposed to numerous additional risks (and potential costs) to get those products to New Zealand. Whilst WHS Group considers the likelihood of any of these risks occurring, in isolation or in combination, as low, if they did it could have a material adverse impact on WHS Group's future financial performance and financial position.

This summary does not cover all of the risks of investing in the Bonds. You should also read section 8 of this PDS (Risks of investing). Further information about the risks of investing in the Bonds can also be found on the online offer register maintained by the Companies Office known as 'Disclose' (the **Disclose register**).

No credit rating

WHS' creditworthiness has not been assessed by an approved rating agency. This means that WHS has not received an independent opinion of its capability and willingness to repay its debts from an approved source.

TABLE OF CONTENTS

Section	Page
1. Key information summary	1
2. Key dates and Offer process	6
3. Terms of the Offer	7
4. WHS Group and what it does	10
5. Purpose of the Offer	15
6. Key features of Bonds	15
7. WHS Group's financial information	18
8. Risks of investing	22
9. Tax	24
10. Who is involved?	25
11. How to complain	26
12. Where you can find more information	26
13. How to apply	27
14. Contact information	27
15. Glossary	28

LETTER FROM THE CHAIR

Dear Investor

On behalf of the directors of The Warehouse Group Limited, it is our pleasure to provide you with the opportunity to invest in a new issue of Bonds. We are delighted to be offering another such opportunity to the New Zealand investing public five years on from our inaugural bond offer in 2010. The purpose of this Offer is to fund the repayment of those bonds and for general corporate purposes of the Guaranteeing Group (which excludes the financial services business). Those bondholders that are resident in New Zealand will have the opportunity to apply some or all of their redemption proceeds to subscribe for the Bonds under an Exchange Offer. There is also a General Offer open to the New Zealand public and institutional investors.

In 1982, Sir Stephen Tindall founded The Warehouse with a vision of revolutionising retail in New Zealand. The famous 'Red Sheds' have since become iconic institutions and the introduction of Warehouse Stationery stores further changed the landscape for Kiwi shoppers.

Three years ago, The Warehouse Group set about to reshape the group, with a clear growth strategy leading to the acquisition of Noel Leeming, a majority interest in Torpedo7 and other businesses in the New Zealand retail sector. Today we now have a diverse multichannel business which includes 92 The Warehouse stores, 79 Noel Leeming stores, 65 Warehouse Stationery stores, 13 Torpedo7 stores and several online businesses which have grown our revenue base and diversified our financial performance.

Looking forward our focus is on consolidation, realising the benefits of scale and building on our group competencies. As part of our five year strategy we are also looking to become a leading New Zealand retail financial services company. The financial services business is operated by a separate group of companies that do not guarantee the Bonds.

This Offer of Bonds is an opportunity for you to invest in WHS Group through a bond that provides semi-annual payments at a fixed interest rate. The Interest Rate for the Bonds will be announced via nzx.com on 19 May 2015 in advance of the Offer opening.

To ensure that an investment in the Bonds meets your needs, you should carefully read this Product Disclosure Statement. If you have any questions or if you are interested in investing in the Bonds, please contact your usual authorised financial adviser.

We look forward to your participation in this Offer, and your continued support as customers in our stores.

Yours faithfully



Ted van Arkel
CHAIRMAN
The Warehouse Group Limited

2

KEY DATES & OFFER PROCESS

Interest Rate set	19 May 2015
Opening Date	20 May 2015
Closing Dates:	
- for the Exchange Offer	5 June 2015
- for the General Offer	10 June 2015
Issue date	15 June 2015
Expected date of initial quotation and trading of the Bonds on the NZX Debt Market	16 June 2015
Early bird interest paid	By 22 June 2015
First Interest Payment Date	15 December 2015
Interest Payment Dates	15 June and 15 December in each year up to and including the Maturity Date
Maturity Date	15 June 2020

WHS reserves the right to vary the timetable (other than the Interest Payment Dates and Maturity Date), including by extending the Closing Dates or withdrawing the Offer at any time before the Bonds are issued.

Structure of the Offer

The Offer consists of:

- **General Offer**, open to institutional investors and members of the public resident in New Zealand; and
- **Exchange Offer**, open to holders of Maturing Bonds resident in New Zealand.

Who may apply under the General Offer

All of the Bonds in the General Offer may be reserved for subscription by clients of the Joint Lead Managers, institutional investors, Primary Market Participants and other parties invited to participate in the Bookbuild (**Firm Allocations**). The aggregate number of Bonds so reserved will be determined by the Joint Lead Managers, in consultation with WHS, on or before the Opening Date. The Joint Lead Managers, in consultation with WHS, will also determine the aggregate number of Bonds not reserved for Firm Allocations and which are therefore available for a public pool, if any, on or before the Opening Date.

If you wish to invest in the Bonds you should contact your usual authorised financial adviser or other Primary Market Participant on how to participate in the General Offer because there is no certainty that there will be a public pool for the Bonds. You can find a Primary Market Participant by visiting www.nzx.com/investing/find_a_participant.

Who may participate in the Exchange Offer

The Exchange Offer is open to members of the public resident in New Zealand who hold Maturing Bonds on the date they apply under the Exchange Offer. Holders of Maturing Bonds will not be able to sell or otherwise transfer their Maturing Bonds once they submit a completed Exchange Offer Application Form.

There may be scaling in the Exchange Offer. WHS may consider how early your application is received, among other factors, when determining any scaling so you are encouraged to send in your application early.

What are the options available if you are a holder of Maturing Bonds

If you are a holder of Maturing Bonds and are resident in New Zealand you have the option to:

- elect to instruct WHS to apply some or all of the redemption proceeds from your Maturing Bonds to subscribe for the Bonds under the Exchange Offer and have the remaining (if any) redemption proceeds from your Maturing Bonds paid to you on 15 June 2015; or
- take no action (in which case the redemption proceeds from all of your Maturing Bonds will be paid to you on 15 June 2015).

WHS will pay to you the final scheduled interest payment on each Maturing Bond on the due date of 15 June 2015, whether or not you participate in the Exchange Offer.

If you elect to instruct WHS to apply some, but not all, of the redemption proceeds to subscribe for Bonds, WHS will pay you the balance of the redemption proceeds on the due date of 15 June 2015.

You will not need to make a physical payment to subscribe for Bonds under the Exchange Offer. The Issue Price for each Bond issued to you under the Exchange Offer will be satisfied by you agreeing for WHS to apply the relevant redemption proceeds from your Maturing Bonds to the subscription for Bonds on a one-for-one basis.

If you apply for Bonds under the Exchange Offer you will not be able to sell or to otherwise transfer the Maturing Bonds which you have elected to exchange under the Exchange Offer.

In addition, you may also participate in the General Offer by contacting your usual authorised financial adviser, including if you wish to apply for Bonds in excess of the number you can receive under the Exchange Offer.



TERMS OF THE OFFER

Issuer	The Warehouse Group Limited.	Interest Payment Dates	Semi-annually in arrears on 15 June and 15 December in each year (or if that day is not a Business Day, the next Business Day) up to and including the Maturity Date, commencing 15 December 2015.
Description of Bonds	Unsecured, unsubordinated, fixed rate bonds.	Early bird interest	You will receive interest calculated on a daily basis at the Interest Rate on application money paid in respect of accepted applications from the date that application money is received into the bank account for the Offer to (but excluding) the Issue Date. Early bird interest will be paid (less any withholding tax required to be deducted) to you within five Business Days of the Issue Date.
Term	5 years.	Early redemption	Neither you nor WHS are able to redeem your Bonds before the Maturity Date, other than upon a Change of Control of WHS.
Maturity Date	15 June 2020.	Change of Control	In the event of a Change of Control: a) WHS may elect to redeem all of the Bonds at the Principal Amount plus the Change of Control Call Premium and any accrued but unpaid interest; and b) a Bondholder may elect to require the redemption of all the Bonds held by the Bondholder at the Principal Amount plus any accrued but unpaid interest. WHS also has the right to redeem all remaining Bonds at a price equal to the Principal Amount plus any accrued but unpaid interest if less than 25% of the Bonds remain outstanding after Bondholders have exercised their right to redeem their Bonds following a Change of Control. For the avoidance of doubt, in that situation no Change of Control Call Premium will be payable.
Offer amount	Up to \$100 million, comprising: <ul style="list-style-type: none">• up to \$75 million from the General Offer; and• up to \$25 million from the Exchange Offer, with the ability to accept oversubscriptions across the two Offers at WHS' discretion to bring the total issue size up to \$125 million.		
Issue Price	\$1.00. For Bonds issued under the Exchange Offer, the Issue Price will be satisfied by WHS applying the redemption proceeds of the Maturing Bonds in payment of the Issue Price on a one-for-one basis. See section 2 of this PDS (Key dates and Offer process).		
Ranking of Bonds	The Bonds will rank equally with WHS' other unsecured and unsubordinated obligations. The Guarantee from each of the Guarantors also ranks equally with all other unsecured and unsubordinated obligations of the Guarantors. More information on the ranking of the Bonds can be found in section 6 of this PDS (Key features of Bonds).		
Guarantee	The Bonds are guaranteed by all the wholly owned Substantial Subsidiaries of WHS (other than any Financial Services Entity), as well as the partially owned Torpedo7 Group and Waikato Valley Chocolates Limited. More information on the Guarantee and Guarantors can be found in section 6 of this PDS (Key features of Bonds).		
Interest Rate	The Interest Rate applicable to the Bonds will be set on 19 May 2015 by WHS and the Joint Lead Managers following completion of the Bookbuild.		

table continues over...

TERMS OF THE OFFER

Change of Control Call Premium	<p>The Change of Control Call Premium will vary according to the date that the Bonds are redeemed by WHS and will apply in accordance with the following schedule:</p> <table border="1"> <thead> <tr> <th>Date Bonds called</th> <th>Premium</th> </tr> </thead> <tbody> <tr> <td>More than 3 years from the Maturity Date</td> <td>\$0.03</td> </tr> <tr> <td>More than 2 but no more than 3 years from the Maturity Date</td> <td>\$0.02</td> </tr> <tr> <td>More than 1 but no more than 2 years from the Maturity Date</td> <td>\$0.01</td> </tr> <tr> <td>No more than 1 year prior to the Maturity Date</td> <td>\$0.00</td> </tr> </tbody> </table> <p>The table below sets out how the Change of Control Premium would apply (assuming a holding of 10,000 Bonds):</p> <table border="1"> <thead> <tr> <th>Date Bonds called</th> <th>Amount Received</th> </tr> </thead> <tbody> <tr> <td>Prior to (and including) 15 June 2017</td> <td>\$10,300</td> </tr> <tr> <td>From 16 June 2017 to (and including) 15 June 2018</td> <td>\$10,200</td> </tr> <tr> <td>From 16 June 2018 to (and including) 15 June 2019</td> <td>\$10,100</td> </tr> <tr> <td>After 15 June 2019</td> <td>\$10,000</td> </tr> </tbody> </table> <p>For example, if the Bonds were to be called on 30 September 2017, a holder of 10,000 Bonds would receive \$10,200 from WHS, being the Principal Amount of \$10,000 plus the applicable Change of Control Call Premium of \$200, plus any accrued but unpaid interest.</p>	Date Bonds called	Premium	More than 3 years from the Maturity Date	\$0.03	More than 2 but no more than 3 years from the Maturity Date	\$0.02	More than 1 but no more than 2 years from the Maturity Date	\$0.01	No more than 1 year prior to the Maturity Date	\$0.00	Date Bonds called	Amount Received	Prior to (and including) 15 June 2017	\$10,300	From 16 June 2017 to (and including) 15 June 2018	\$10,200	From 16 June 2018 to (and including) 15 June 2019	\$10,100	After 15 June 2019	\$10,000
Date Bonds called	Premium																				
More than 3 years from the Maturity Date	\$0.03																				
More than 2 but no more than 3 years from the Maturity Date	\$0.02																				
More than 1 but no more than 2 years from the Maturity Date	\$0.01																				
No more than 1 year prior to the Maturity Date	\$0.00																				
Date Bonds called	Amount Received																				
Prior to (and including) 15 June 2017	\$10,300																				
From 16 June 2017 to (and including) 15 June 2018	\$10,200																				
From 16 June 2018 to (and including) 15 June 2019	\$10,100																				
After 15 June 2019	\$10,000																				
Restrictions on WHS	See section 6 of this PDS (Key features of Bonds).																				
Events of Default	<p>All amounts owing on the Bonds may become payable by WHS if an Event of Default occurs which is continuing.</p> <p>The Events of Default are set out in clause 12.1 of the Trust Deed (a copy of which is contained on the Disclose register) and are summarised in section 6 of this PDS (Key features of Bonds).</p>																				

Quotation	<p>Application has been made to NZX for permission to quote the Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the date of this PDS have been duly complied with. However, the Bonds have not yet been approved for quotation and NZX accepts no responsibility for any statement in this PDS.</p> <p>NZX is a licensed market operator, and the NZX Debt Market is a licensed market, under the FMC Act.</p> <p>NZX Debt Market ticker code WHS020 has been reserved for the Bonds.</p>
Offer period	See section 2 of this PDS (Key dates and Offer process).
How to apply	See section 13 of this PDS (How to apply).
Minimum application amount	\$5,000 and multiples of \$1,000 thereafter. This minimum application amount applies to any application under the Exchange Offer. However, if a holder of Maturing Bonds applies to exchange all of their Maturing Bonds, the \$1,000 multiple will not apply.
Scaling	WHS may scale applications at its discretion, but will not scale any application to below \$5,000 (unless to \$0). WHS may consider how early applications are received, among other factors, when determining any scaling in the Exchange Offer.
No fees or charges	You are not required to pay brokerage or any other fees or charges to WHS relating to the Bonds.
Refunds	<p>General Offer: If WHS does not accept your application or accepts your application in part, all or the relevant balance of your application moneys received from you in the case of the General Offer will be paid to you as soon as practicable and, in any event, within five Business Days after such refusal or acceptance in part.</p> <p>No interest will be paid on refunds.</p> <p>Exchange Offer: If WHS does not accept your application or accepts your application in part under the Exchange Offer, all or the relevant balance of the redemption proceeds from your Maturing Bonds will be paid to you on 15 June 2015 in accordance with the conditions of the Maturing Bonds.</p>

TERMS OF THE OFFER

Transfer restrictions

WHS may decline to accept or register a transfer of the Bonds if the transfer would result in the transferor or the transferee holding or continuing to hold Bonds with a Principal Amount of less than \$5,000 (if not zero) or if the transfer is not in multiples of \$1,000.

Selling restrictions

This PDS only constitutes an offer of Bonds in New Zealand. No action has been taken by WHS which would permit a public offering of Bonds or possession or distribution of any offering material in any jurisdiction where action for that purpose is required (other than New Zealand). Bonds may not be offered or sold except in compliance with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. No offering document in respect of any Bonds may be published, delivered, or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations.

No reliance

This PDS does not constitute a recommendation by the Supervisor, the Arranger, any Joint Lead Manager or the Organising Participant or any of their respective directors, officers, employees, agents or advisers to subscribe for, or purchase, any Bonds.

The Supervisor, the Arranger, the Joint Lead Managers and the Organising Participant and their respective directors, officers, employees, agents or advisers to the extent allowable by law:

- do not accept any responsibility or liability whatsoever for any loss arising from this PDS or the Disclose register or their contents or otherwise arising in connection with either the General Offer or the Exchange Offer; and
- have not independently verified the information contained in this PDS or the Disclose register and make no representation or warranty, express or implied, and do not accept any responsibility or liability for, the origin, validity, accuracy or completeness of, or any errors or omissions in, any information, statement or opinion contained in this PDS or the Disclose register.

You must make your own independent investigation and assessment of the financial condition and affairs of WHS before deciding whether or not to apply for Bonds.

Trust Deed and Guarantee

The terms and conditions of the Bonds are set out in the Trust Deed. Bondholders are bound by, and are deemed to have notice of, the Trust Deed.

The Guarantors have also entered into a deed of guarantee and indemnity in favour of the Supervisor.

If you require further information in relation to any terms and conditions of the Trust Deed or Guarantee you may obtain a copy of the Trust Deed or Guarantee from the Disclose register at www.business.govt.nz/companies/disclose.

Comparable pricing

To assist you to assess the risk premium of the Bonds, you can refer to www.nzx.com/markets/NZDX/bonds. This website allows you to compare the yield of the financial products listed on the NZX Debt Market. When comparing the yield of two debt securities it is important to consider all relevant factors (including the credit rating (if any), maturity and the other terms of the relevant debt securities).

4

WHS GROUP AND WHAT IT DOES

WHS Group was founded over 30 years ago by Sir Stephen Tindall and has grown to become an iconic Kiwi brand. WHS Group operates 249 retail stores, four main distribution centres as well as 12 online stores across New Zealand, and employs over 12,000 people. WHS is listed on the NZX Main Board under the ticker WHS with a market capitalisation of nearly \$1 billion as at 1 May 2015.

WHS Group's operating structure is outlined in the diagram right. The Warehouse is the most significant Subsidiary of WHS Group, with Warehouse Stationery and Noel Leeming also considered significant members of WHS Group. All the significant subsidiaries are incorporated in New Zealand and are all key to generating income for the Group.

The retail industry

WHS Group is the largest retail group operating in New Zealand. It operates in the New Zealand non-food retail market, which according to Statistics NZ, is estimated to be worth around \$20 billion per year. WHS Group's share of this market is approximately 13%. WHS Group has a wide range of competitors across its retail divisions, reflecting the breadth of its offering. Some of its main competitors, by retail division, are illustrated in the table below. Each division also competes with global online retailers.

WHS Financial Services Group operates in the consumer finance industry. Its competitors include banks, as well as finance companies such as Fisher & Paykel Finance (which offers the Farmers Finance Card and Q Card) and GE Money.

The Warehouse	<ul style="list-style-type: none"> Discount department stores such as Farmers and Kmart Large format DIY retailers such as Bunnings Warehouse and Mitre 10 Numerous specialist retailers such as Briscoes, No.1 Shoe Warehouse, Super Cheap Auto, Hallensteins and Glassons
Warehouse Stationery	<ul style="list-style-type: none"> Discount department stores such as Kmart Business-to-Business retailers such as Office Max, Staples and Office Products Depot Numerous specialist retailers such as Whitcoulls, Paperplus, Smiggle and general consumer electronics retailers
Noel Leeming	<ul style="list-style-type: none"> Discount department stores such as Farmers Numerous specialist retailers such as Dick Smith, JB Hi-Fi, Harvey Norman and Smiths City
Torpedo7	<ul style="list-style-type: none"> Numerous specialist retailers such as Kathmandu, Macpac, Rebel Sport, Hunting and Fishing, Bivouac, Bike Barn and Avanti Plus

WHS Group strategy

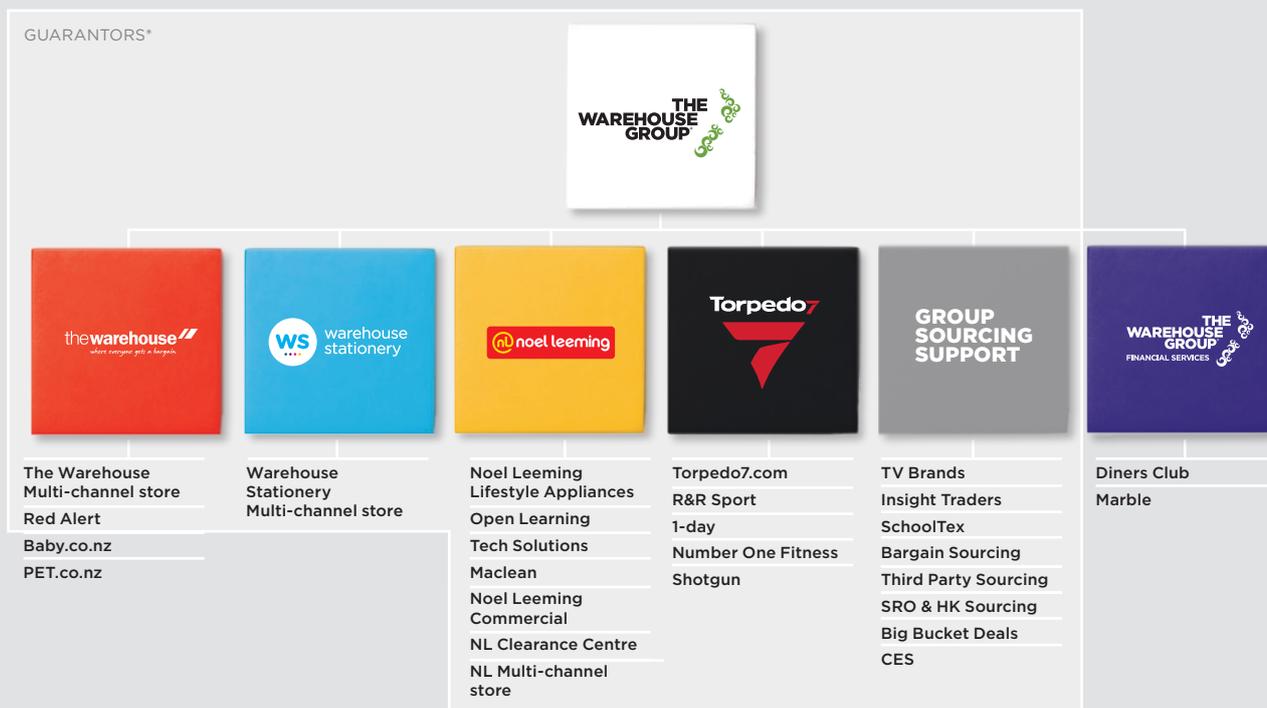
WHS Group's vision is to 'build a 100 year company that delivers long term sustainable profit growth and helps Aotearoa New Zealand to flourish'. Currently The Warehouse is the main contributor to the Group accounting for over 75% of WHS Group's operating profit. One of WHS Group's strategic priorities is to grow its 'non Red' profit (i.e. excluding The Warehouse) to be as large as 'Red' profit. WHS Group seeks to achieve this by establishing a more diversified sales and earnings profile with acquisitions such as Noel Leeming and the Torpedo7 Group, and the growth of existing retail brands such as Warehouse Stationery. To this extent, over the past three years WHS Group has reshaped itself into a trading group offering a wide range of products and services through four distinct retail divisions (The Warehouse, Warehouse Stationery, Noel Leeming Group and Torpedo7 Group), each with its own brand positioning, strengths and competencies, and has recently established a financial services division.

All of the Group's businesses are fully 'multichannel enabled' (meaning they have more than one sales channel) with both physical stores and an online presence as part of its goal to be the leading multichannel and digital retailer in New Zealand. For example, The Warehouse customers have the ability to shop the whole range in-store, on-line

or on-the-go (via The Warehouse Mobile Shopping App) and have the ability to pick up in-store (click and collect) or have delivery to their home. As digital technology is transforming the retail landscape, WHS Group sees its digital strategy as being key to remaining competitive and maintaining its position in the market. WHS Group's websites are collectively already the most visited retail websites in New Zealand each month, according to Nielsen, and in December 2014 had more than 1.3 million unique visitors. WHS Group will continue to grow this area of its operations and evolve its capabilities to match customer expectations.

WHS Group is now entering a period of consolidation, with no major acquisitions planned and a focus on delivering on the potential of its recent acquisitions and driving profit growth. One of its priorities is to identify and realise cost benefits from its scale and sharing of services across the retail divisions. It is also looking to maximise the cross-brand trading opportunities and build on core competencies of the Group, including its understanding of the New Zealand customer, market and channels and its strong team of people. WHS Group is also focused on sourcing better products at better prices, including developing key strategic supplier relationships and using its sourcing expertise and logistics capabilities to support more sales at higher margins.

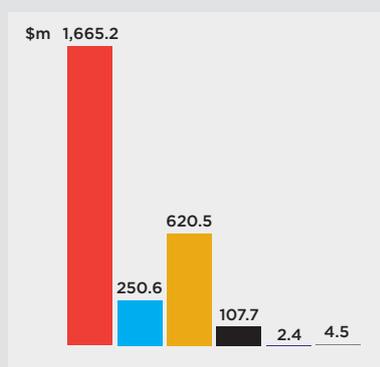
WHS Group divisional overview



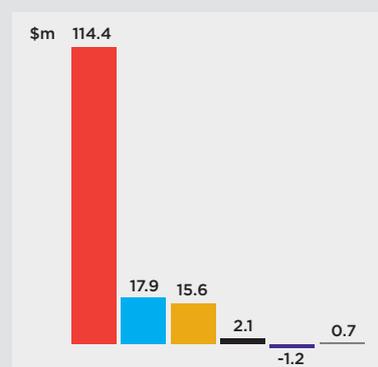
* Each of WHS' wholly owned Substantial Subsidiaries (other than any Financial Services Entity), as well as the partially owned Torpedo7 Group and Waikato Valley Chocolates Limited are Guarantors of the Bonds. A Subsidiary is a Substantial Subsidiary if either the Subsidiary's EBIT exceeds 1% of the EBIT of WHS Retail Group or the Subsidiary's Total Tangible Assets exceeds 1% of the Total Tangible Assets of WHS Retail Group.

- The Warehouse
- Warehouse Stationery
- Noel Leeming Group
- Torpedo7 Group
- WHS Financial Services Group
- Other

Segmental contribution to FY14 Group revenue¹



Segmental contribution to FY14 Group adjusted EBITDA



¹ WHS Financial Services Group reflects the 5 month trading period from the acquisition of Diners Club (NZ) Limited in March 2014 to the end of FY14. Other includes the Group's property operations, corporate function and Waikato Valley Chocolates Limited which supplies product to The Warehouse and eliminations of inter-segmental revenue. Adjusted EBITDA is described in section 7 of this PDS (WHS Group's Financial information).

WHS GROUP AND WHAT IT DOES

The Warehouse

The Warehouse is WHS Group's core 'Red Sheds' business. One of New Zealand's most iconic retailers, The Warehouse offers a wide array of general merchandise and apparel at affordable and cut-rate prices. The Warehouse operates 92 stores nationwide and is well recognised as being New Zealand's 'House of Bargains and Home of Essentials'.

The Red Sheds sell a range of house brands and more recently have introduced reputable global brands such as Sony, Samsung, Hewlett Packard and Kambrook, providing consumers with a suite of 'better' and 'best' products. Ensuring quality of product is fundamental to the ongoing success of The Warehouse and to that extent, there is a dedicated team of quality technicians based in Auckland and Shanghai that work closely with buyers and suppliers to ensure the quality is right the first time. The Warehouse also has a sourcing division within the Red Sheds which provides sourcing support for the wider Group.

Over the last four years The Warehouse has been revitalising and refreshing stores through its modernisation and refit programme. Including its new and refurbished stores, it has 66 Red Sheds nationwide which are now fit for purpose and in line with the brand. The remaining refits, as required, are expected to be completed by July 2016.

Key focuses of the Red Sheds going forward are operating more effectively (including by sourcing product more efficiently, by strengthening supplier relationships and achieving synergies from other areas of the Group), improving the customer experience (putting the customer first and providing great products at great prices in a contemporary retail environment) and being at the forefront of multichannel delivery, to deliver a seamless customer offering and cement The Warehouse as New Zealand's leading retailer where the desirable is affordable.

Warehouse Stationery

Warehouse Stationery is WHS Group's 'Blue Sheds' business which operates in the stationery retail market. Since its inception, Warehouse Stationery has experienced significant growth and revolutionised the stationery retail business. Warehouse Stationery has grown from eight stores in 1995 to 65 stores and a fully transactional website in 2015.

Warehouse Stationery is focused on providing its customers with 'Everything you need to Work, Study, Create, Connect'. It sells a diverse range of over 8,500 products at everyday value prices, including an excellent selection of well-known brands such as Hewlett Packard, Apple, Canon, Brother and Samsung. This has been supported by the introduction of new innovative products such as 'fashionery' (fashion stationery), additional technology brands and ranges. It also offers a comprehensive range of print and copy services through 65 dedicated Print & Copy centres around the country.

The stationery market is ever changing, with some declining trends in traditional stationery categories, balanced by increased penetration of technology in

people's lives and higher demand for personalisation and more targeted communication. Going forward, Warehouse Stationery's focus is on continuing to deliver on the strategy of being a seamless multichannel retailer, building on its strengths, ensuring the position in the market place and becoming more productive and efficient to deliver sales and profit growth.

Noel Leeming Group

The Noel Leeming Group was acquired by WHS Group in December 2012 to support its transformation into New Zealand's leading non-food retail business. Noel Leeming is a leading New Zealand technology and appliance retailer, offering a comprehensive range of branded consumer electronics, home appliance and entertainment products. With longstanding relationships with the world's top consumer electronics brands like Samsung, Panasonic, Hewlett Packard, LG and Fisher & Paykel, Noel Leeming focuses on first to market opportunities to validate this leading position. The Noel Leeming Group has 79 stores throughout New Zealand and an online store.

Noel Leeming's continued success is based on five core pillars that support the brand positioning: Providing customers with the Right Product, at the Right Price, delivered by Passionate People with Expert Service and through Leading Services such as Tech Solutions (mobile technicians that provide a range of services for computers and home entertainment) and Open Learning Centres (to assist customers in understanding and using new technology). These services differentiate Noel Leeming from its competitors and will continue to be a focus of Noel Leeming going forward. Following the rebrand of Noel Leeming in 1H15, Noel Leeming's strategy is to deliver on this positioning to maintain a leading market position and drive sales and margin growth.

Supplier relationships are critical to how Noel Leeming does business as it continues to manage a balanced mix of supplier brands in each category whilst at the same time identifying new and subcategories to stimulate and deliver optimum margin growth.

Torpedo7 Group

Torpedo7 is a leading outdoor adventure sports multichannel retailer, operating both online through a variety of websites in New Zealand and Australia and through 13 stores across New Zealand. WHS Group first acquired 51% of the online retailer Torpedo7 in April 2013 to provide another platform to increase WHS Group's online retail presence. Consistent with WHS Group's multichannel strategy, it has evolved into a full outdoor adventure and sport offering with further acquisitions throughout FY14, including the R&R Sport retail chain which provided a physical chain of retail stores, and a further 29% of Torpedo7.

WHS GROUP AND WHAT IT DOES

Torpedo7 is now a group of companies under the Torpedo7 Group banner, with three clear vertical offerings:

- Torpedo7, a leading outdoor and adventure sport multichannel retailer in New Zealand;
- 1 Day, a leading daily deal site in New Zealand; and
- No1 Fitness, a fitness equipment and multichannel retailer and Shotgun Supplements an online supplements store.

The Torpedo7 Group continues to develop its offering to customers, with both new products and new stores. It is focused on driving higher sales, improving margins (through product mix, better sourcing and reducing inefficiencies across the Torpedo7 Group) and continuing to grow awareness of the brand following the rebrand of its physical store network to Torpedo7 in 1H15.

WHS Financial Services Group

WHS Financial Services Group is a separate group of companies which does not guarantee the Bonds. Through Diners Club (NZ) Limited, which was acquired by WHS Group in March 2014 as part of the strategy for retail financial services, it offers a variety of consumer and corporate credit and charge card solutions under the Diners Club brand. It also offers in-store consumer finance products in The Warehouse under the Marble brand.

WHS has a five year strategy to become a leading New Zealand retail financial services company with a finance business that is large enough to support its core retail businesses. It will take several years to develop the range of products to meet the needs of all businesses in the Group, which will include a scheme card, a premium credit card, instalment products, insurance and extended warranties. Results will depend on the speed that new products can be introduced, but within five years WHS expects financial services to form a material part of WHS Group's earnings.

Financial services has a team of over 80 experienced people, with practiced consumer finance executives recruited to lead and develop the business. There is also a separate board in place which includes two independent directors (one of whom serves as the Chair) with significant experience in financial services and other relevant specialist skills. It is intended that a distinct debt funding strategy will be developed for WHS Financial Services Group that will be kept entirely separate from WHS Group's existing debt funding arrangements, including the Bonds.

Westpac Joint Venture

WHS Group also holds a 49% interest in The Warehouse Financial Services Limited, a joint venture with Westpac bank and this investment currently forms part of WHS Retail Group. The company provides a range of financial products via WHS Group's store network, the company's online channel and its call centre.

Property

WHS Group leases approximately 96% of the store properties it operates in New Zealand. Where property is considered strategic, WHS Group will either retain or seek to secure ownership. Six store properties are currently owned outright. WHS Group uses its scale to drive efficiencies in its locations and properties across all its retail brands, for example, by co-locating several brands alongside each other under one lease, or moving brands into available excess capacity.

WHS Group has developed new stores in the past and will continue to take a long-term view by acquiring and holding land suitable for retail development if and when appropriate opportunities arise. It currently holds land for possible future development in Auckland, Kaitia, Rangiora and Rolleston.

WHS Group sold a store and leased it back in Whangarei in the first half of FY15, and in FY14, sold a store in Christchurch and two smaller properties. In FY13 the Group sold a number of properties on sale and lease back terms including three stores (located in Queenstown, Snells Beach and Palmerston North), the Group's distribution centre located in Wiri (Auckland) and a Retail Centre in Silverdale.

People

WHS Group recognises that its people and culture are one of its core competencies. It believes that by empowering team members to be the best they can be, this positively impacts the shopping experience for customers. It has significantly invested in its people in recent years, including developing 'working smarter' initiatives, introducing a Career Retailer Wage and partnering with Massey University to launch a Bachelor in Retail and Business Management degree. It continues to develop management and leadership teams with programmes such as the 'Store Management Development Programme' and 'Retail Leadership Programme'. All of these initiatives are designed to increase the attractiveness of retail as a career path.

Breach of covenants

During the financial year ended 30 July 2006, WHS Group sought and was given a waiver from compliance with the Negative Pledge covenants of its bank facilities for the second and third quarters of the 2006 financial year. The loss incurred on the disposal of the business assets of WHS Group's Australian business caused the Group to be unable to meet the Negative Pledge covenants during this period. WHS Group was in compliance with the Negative Pledge covenants of its bank facilities for the first and fourth quarters of the 2006 financial year.

WHS GROUP AND WHAT IT DOES

Senior management

MARK POWELL (Masters of Logistics, MBA) – WHS Group Chief Executive Officer

Mark has been CEO of WHS Group since 2011, and has been involved with WHS Group since 2002 in various full-time, part-time and advisory capacities, including as Interim CEO of the Australian operations, Group General Manager Supply Chain and Merchandise Planning, and most recently CEO of Warehouse Stationery. Mark's original training and management experience was in the underground coal mining industry. He changed direction in 1986, joining Iceland plc, a UK food retailer with more than 600 stores. He has since held a number of management roles in the UK, Canada and Spain, including responsibility for Wal-Mart Canada's logistics operations, supply chain and home shopping management for Iceland plc and the logistics operations of Tesco. As part of WHS Group's annual succession planning cycle in 2014, Mark indicated to the Board that he did not foresee himself continuing in the CEO role beyond February 2016. As a result of subsequent discussions, WHS Group announced on 30 March 2015 that a formal process has been initiated to recruit a new Group CEO. This will allow up to ten months to ensure a planned and orderly succession process.

MARK YEOMAN (BCA, CA) – WHS Group Chief Financial Officer

Mark was appointed CFO of WHS Group effective December 2014. Prior to his role at WHS, Mark held several executive positions, most recently as CFO for the New Zealand Post Group Limited and before that, CFO at Airways and CEO at Samoa's telecom and postal company. He has also held senior roles in a wide-range of technology based businesses in Australia and New Zealand including Telecom, Solution6 and his own start up technology company. Mark has a diverse finance, commercial, technology, financial services and leadership background, covering start-ups through to large organisations.

Board of Directors

EDUARD (TED) VAN ARKEL (FNZIM) – Chairman and Independent Non-Executive Director

Ted possesses a strong retail background and director experience across a broad range of industries. He is a professional director who has more than 40 years' experience in the retail and wholesale sectors and has been Chairman or a director of a large number of public and private companies. Currently he is Chairman of Restaurant Brands (NZ) Limited and Health Benefits Limited. Ted is also a director of Abano Healthcare Group Limited, AWF Group Limited and several other private companies. Prior to becoming a professional director he was Managing Director of Progressive Enterprises Limited.

KEITH SMITH (BCom, FCA) – Deputy Chairman and Independent Non-Executive Director

Keith has been involved with The Warehouse since Sir Stephen opened his first store in 1982, initially providing accounting, tax and corporate advice, and was Chairman from 1995 to May 2011. He has a long-standing record of leadership as a director and advisor to companies in a diverse range of industries, including the energy sector, rural services, printing, media and exporting. He brings considerable experience and governance expertise to his role as Deputy Chairman of the Board. He is Chairman of listed company Goodman (NZ) Limited (the Manager of Goodman Property Trust) and is a director of Mighty River Power Limited, Westland Dairy Co-operative Limited and several other private companies. Keith is a past President of The New Zealand Institute of Chartered Accountants.

SIR STEPHEN TINDALL (KNZM, Dip. Mgt, FNZIM, CFisntD, HonD, DCom Honoris Causa) – Founder and Non-Executive Director

Sir Stephen founded The Warehouse in 1982 and grew the company into a billion dollar business before stepping down as Managing Director in 2001. His vision for creating an organisation to provide support for worthwhile initiatives benefiting New Zealanders resulted in the establishment of The Tindall Foundation, promoting a 'hand up' rather than a 'hand out' philosophy. Sir Stephen has seen many personal honours and awards come his way, most recently being named the 2015 Kiwibank New Zealander

of the Year. In August 2009 he was bestowed the accolade of a knighthood in recognition of his work with New Zealand businesses and the community. He has helped ordinary Kiwis reach their potential and is a true leader across the spheres of business, community and the environment. Through his investment business K1W1, Sir Stephen has invested in over 100 New Zealand export-oriented technology companies, with a goal to help New Zealand businesses thrive on the world stage.

ANTONY (TONY) BALFOUR (BCom) – Independent Non-Executive Director

Tony has extensive global retail and e-commerce experience with a strong track record in a diverse range of industries. Most recently he was General Manager (Markets) for Icebreaker Clothing with responsibility for the company's global business units in New Zealand, Australia, USA, Canada, Europe and Asia as well as the development of the company's rapidly growing e-commerce and retail business units. Prior experience includes senior roles in Monster.com and Seek.com, both successful online recruitment sites. Tony also spent nine years at Nike in senior general management roles in the USA, Australia and Asia Pacific regions. Since 2009 he has been a director of Silver Fern Farms Limited, New Zealand's largest meat company. Tony also joined Les Mills International (the world's leading provider of group fitness programming) in November 2013 as an independent director.

JAMES OGDEN (BCA (Hons), FCA, CFinstD) – Independent Non-Executive Director

James brings strong financial expertise to the Board and director experience across a broad range of industries. He has had a distinguished career as an investment banker for eleven years, six years as Country Manager for Macquarie Bank and five years as a director of Credit Suisse First Boston. James has also worked in the New Zealand dairy industry in chief executive and finance roles for eight years. In addition to his role as a director of WHS, he is a director of Summerset Group Holdings Limited, Vista Group International Limited and Alliance Group Limited and is a member of the New Zealand Markets Disciplinary Tribunal. Former directorships include New Zealand Post Limited, Kiwibank Limited, NZX-listed Powerco Limited and Capital Properties New Zealand Limited.

VANESSA STODDART (BCom/LLB (Hons), PGDip in Professional Ethics) – Independent Non-Executive Director

Vanessa was a lawyer by profession. She was previously Group General Manager of Technical Operations and People at Air New Zealand Limited for almost 10 years. Prior to this Vanessa held positions at Carter Holt Harvey Packaging Australia as Chief Executive and General Manager Performance Improvement, as well as change management and legal positions. She is a member of both the Australian and New Zealand Institute of Directors, an honorary fellow of HRINZ and a Companion of IPENZ. Vanessa is an Independent Director for The New Zealand Refining Company Limited, Alliance Group Limited and Paymark Limited. She is also a member of the Tertiary Education Commission, the Global Women Board and King's College Board, a member of MBE's Audit and Risk Committee, Business NZ's representative to TFESC and currently chairs the Otago University Business School Advisory Board.

JOHN JOURNEE (BCom) – Non-Executive Director

John has had an extensive retail career which includes executive experience across sectors that span general merchandise, fashion apparel, FMCG, consumer electronics, telecommunications, and electricity retailing and services. Over his 30-year career he has spent 15 years with WHS, starting as a joint-venture partner in 1990 and progressing through senior roles in operations, marketing, merchandise, international sourcing and business development, before taking a role in the UK with a telecommunications company. He rejoined in 2012 when WHS Group acquired Noel Leeming, where John was CEO. He is also Chairman of online electricity retailer Powershop, fashion retailer Max Fashions and Southern Hospitality Limited. John has previously been a non-executive director of multichannel retailer EziBuy.

5

PURPOSE OF THE OFFER

The proceeds of the Offer will be used to repay the Maturing Bonds and then for general corporate purposes of the Guaranteeing Group (which excludes the financial

services business). The use of the money raised under the Offer will not change depending on the total amount that is raised. The Offer is not underwritten.

6

KEY FEATURES OF BONDS

General

A number of the key features of the Bonds are described in section 3 of this PDS (Terms of the Offer). The other key features of the Bonds are described below. A copy of the Trust Deed and the Guarantee are included on the Disclose register at www.business.govt.nz/companies/disclose.

The information in this section is a summary of certain terms of the Trust Deed and the Guarantee.

Ranking

The Bonds constitute unsecured, unsubordinated obligations of WHS. On a liquidation of WHS amounts owing to Bondholders rank equally with all other

unsecured, unsubordinated obligations of WHS. Amounts owing under the Guarantee constitute unsecured, unsubordinated obligations of each Guarantor and on a liquidation of the Guarantor amounts owing to Bondholders under the Guarantee rank equally with all other unsecured, unsubordinated obligations of the relevant Guarantor.

Subject to the assumptions set out at Schedule 1 on the Disclose register, the ranking of the Bonds based upon a liquidation of WHS is summarised as follows in the diagram. However, you should know that the diagram is only a summary of indicative amounts and that in the event of a liquidation of WHS, the actual priority amounts may differ.

Diagram showing ranking of Bonds

	Ranking on the liquidation of WHS	Liabilities	Indicative amount of existing liabilities and equity of WHS Group as at 25 January 2015 (latest interim result) adjusted for expected issue proceeds ¹
HIGHER RANKING/ EARLIER PRIORITY	Liabilities that rank in priority to the Bonds²	Secured creditors and creditors preferred by law (including employees up to a cap of \$20,340 each and IRD for certain unpaid tax)	\$184m
	Liabilities that rank equally with the Bonds (including the Bonds)	Unsubordinated obligations (being the bank debt) and all other unsecured obligations (such as trade and general creditors)	\$471m
LOWER RANKING/ LATER PRIORITY	Liabilities that rank below the Bonds		\$0m
	Equity		\$567m

1 Assuming \$100 million of Bonds are issued under the Offer and after redemption on 15 June 2015 of all Maturing Bonds. This assumption has no effect on the number in the table above because the \$100 million of Bonds issued replace the same amount of liabilities that rank equally with the Bonds (namely the Maturing Bonds).

2 Liabilities that rank in priority to the Bonds at 25 January 2015 include:

- Employee entitlements for unpaid salaries and wages, holiday pay and bonuses and PAYE of \$43.7 million.
- Amounts owing to the IRD for unpaid Goods and Services Tax of \$28.7 million.

c. Customs and Duty payments of \$3.9 million.

d. The Group pays most of its local creditors on a monthly payment cycle. The Group's monthly payment cycle for January 2015 occurred the week following the 25 January 2015 balance date. Some trade creditors retain a security interest in the products they have sold to the Group until they have been paid. At 25 January 2015 the Group estimated the total value of creditors where a creditor retained a security interest was \$98.5 million. More information about how this amount was calculated is set out at Schedule 1 of the Disclose register.

KEY FEATURES OF BONDS

After the Bonds have been issued, further liabilities that rank equally with, or in priority to, the Bonds on a liquidation of WHS can arise. WHS' ability to create any such further liabilities is restricted by the contractual provisions described below that WHS has entered into.

Creation of further liabilities

Under the Trust Deed, WHS has agreed that, unless the Supervisor otherwise agrees, it will ensure that the ratio of total debt of WHS Retail Group to total debt plus shareholders' funds of WHS Retail Group will not exceed 50% at any time during the financial year ending on or about 31 July, other than during the quarter ending on or about 31 October or the month ending on or about 30 November, when it shall not exceed 60%.

The effect of this provision (sometimes referred to as a restriction on leverage or financial covenant) is to restrict the amount of total debt that WHS Retail Group can incur at any particular time.

WHS has also agreed in the Trust Deed that, unless the Supervisor agrees otherwise, when tested on an annual or semi-annual basis, the earnings (calculated before interest and tax) of WHS Retail Group are at least 200% of the net interest expense of WHS Retail Group. The effect of this provision (sometimes referred to as an interest cover restriction) is to restrict the amount of interest and financing costs that WHS Retail Group can incur at any particular time.

Together, the restrictions on leverage and interest cover described above restrict contractually the amount of further liabilities WHS can create that rank equally with, or in priority to, the Bonds on liquidation of WHS. For full details of these provisions see clause 10.2 of the Trust Deed. WHS has agreed the same restrictions in relation to its bank debt under the Negative Pledge.

New security interests

Under the Trust Deed, WHS has agreed that WHS will not, unless the Supervisor agrees otherwise, create or permit to exist a security interest over or affecting any of the assets of WHS or any Guarantor if:

- total indebtedness of WHS Retail Group that is secured exceeds 10% of Total Tangible Assets of WHS Retail Group; or
- total indebtedness of WHS Retail Group that is secured (after excluding certain indebtedness that is secured over the assets of a member of the Guaranteeing Group that becomes a Guarantor after the date of the Trust Deed) exceeds 5% of Total Tangible Assets of WHS Retail Group.

The effect of this provision is to restrict WHS or any Guarantor from incurring any material liabilities that are secured (and so would rank in priority to the Bonds). For full details of this provision see clause 10.2 of the Trust Deed. WHS has agreed the same restrictions in relation to its bank debt under the Negative Pledge.

Guarantees

The Bonds are guaranteed by the Guarantors under the Guarantee.

Under the Guarantee, each Guarantor jointly and severally guarantees the payment of all amounts owed to Bondholders in respect of the Bonds and any amount owed to the Supervisor (which would include the Supervisor's fees and costs). There are no limits on the obligations of any Guarantor in respect of the amounts owing under the Guarantee. The obligations of the Guarantors under the Guarantee are unsecured.

Not all members of WHS Group are required to be Guarantors. Each member of WHS Retail Group that is both a wholly owned Subsidiary of WHS and is considered to be a 'Substantial Subsidiary' is required to be a Guarantor. A 'Substantial Subsidiary' is a subsidiary of WHS whose earnings (calculated before interest and tax) are not less than 1% of earnings (calculated before interest and tax) of WHS Retail Group or whose total assets are at least 1% of Total Tangible Assets of WHS Retail Group. No member of WHS Financial Services Group is required to become a Guarantor.

As at the date of this PDS, the Guarantors are The Warehouse Limited, The Warehouse Nominees Limited, The Warehouse Card Limited, Boye Developments Limited, Warehouse Stationery Limited, Eldamos Investments Limited, Eldamos Nominees Limited, The Warehouse Management Trustee Company Limited, The Warehouse Management Trustee Company No.2 Limited, The Warehouse Cellars Limited, Waikato Valley Chocolates Limited, TWL Products Limited, TWP No.2 Limited, TWP No.3 Limited, TWP No.4 Limited, TWP No.5 Limited, Noel Leeming Group Limited, Torpedo7 Limited, 1-Day Limited, Torpedo7 Fitness Limited, R R S 2013 Limited, Torpedo7 Supplements Limited, TWGA Pty Limited and TWL Australia Pty Limited.

Under the Trust Deed, WHS must ensure that the Guaranteeing Group meets the following coverage ratios:

- the Total Tangible Assets of the Guaranteeing Group at all times must not be less than 90% of the Total Tangible Assets of WHS Retail Group; and
- when tested on an annual or semi-annual basis, the earnings (calculated before interest and tax) of the members of the WHS Retail Group that are not Guarantors must not exceed 10% of earnings (calculated before interest and tax) of WHS Retail Group.

The effect of these provisions is to ensure that there are no material differences between the Total Tangible Assets and earnings (calculated before interest and tax) of the Guaranteeing Group and WHS Retail Group. For full details of these provisions see clause 10.2 of the Trust Deed. WHS has agreed the same provisions in relation to its bank debt under the Negative Pledge.

KEY FEATURES OF BONDS

If requested by WHS, the Supervisor must release any Guarantor nominated by WHS from the Guarantee provided that upon such release:

- the coverage ratios described above will remain satisfied;
- the Guarantor is no longer both a wholly owned subsidiary of WHS and a Substantial Subsidiary; and
- no Event of Default has occurred and remains unremedied.

For full details of this provision see clause 4.2 of the Guarantee.

Other relevant information about the Trust Deed

Standard provisions

The Trust Deed also contains a number of standard provisions, including relating to:

- the role of the Supervisor and the powers and duties of the Supervisor;
- the process for replacement of the Supervisor;
- the right of the Supervisor to be indemnified; and
- the process for amending the Trust Deed.

For full details of these provisions see clauses 13 to 18 and 20 of the Trust Deed.

Events of Default

The Events of Default are contained in clause 12.1 of the Trust Deed. They include a failure by WHS to make a payment on the Bonds, a breach by WHS or a Guarantor of a material provision in the Trust Deed or the Guarantee and also insolvency-type events that affect WHS or a 'Material Guarantor'. A 'Material Guarantor' is a Guarantor whose earnings (calculated before interest and tax) are not less than 5% of earnings (calculated before interest and tax) of WHS Retail Group or whose total assets are at least 5% of Total Tangible Assets of WHS Retail Group.

If an Event of Default occurs, the Supervisor may in its discretion, and must upon being directed to do so by a special resolution of Bondholders:

- declare the Principal Amount and any accrued interest on the Bonds due and payable; and/or
- make demand under the Guarantee and exercise all its rights under the Guarantee.

The above is a summary of the Events of Default. For full details of the Events of Default see clause 12.1 of the Trust Deed.

Related party transactions

In the Trust Deed, WHS has agreed that neither it nor any Guarantor will enter into certain transactions with related persons. The restrictions on entering into transactions with related persons do not apply to transactions entered into between members of the Guaranteeing Group. The restrictions do apply to transactions entered into between the Guaranteeing Group and members of WHS Group that are not Guarantors (such as members of WHS Financial Services Group). The restrictions are:

- disposing of any assets to, or entering into any contract for the provision of any services or assets to, a related person, other than a transaction for proper value and on reasonable commercial terms;
- purchasing any assets from, or entering into any contract for the provision of any assets or services by, a related person, other than a transaction for proper value and on reasonable commercial terms; and
- making any loan to or investment in, giving any guarantee or indemnity to or in respect of the obligations of, purchasing or subscribing for any shares in, or otherwise providing any financial assistance to or for the benefit of, any related person, other than:
 - in connection with any employee share purchase scheme, and for the benefit of an employee or the trustee, supervisor, manager or administrator of that scheme;
 - where the aggregate amount of all such loans, investments, guarantees, indemnities, shares and assistance does not exceed 5% of Total Tangible Assets of WHS Retail Group; or
 - provided no Event of Default has occurred and is continuing, by way of investment in any subsidiary that is a member of WHS Financial Services Group.

For full details of this provision see clause 10.1 of the Trust Deed.



WHS GROUP'S FINANCIAL INFORMATION

This table provides selected financial information about WHS Group. Full financial statements are available on the offer register at www.business.govt.nz/companies/disclose. WHS Group's financial performance and position is critical to WHS' ability to meet its obligations, including those owed to you. If you do not understand this sort of financial information, you can seek professional advice.

Only some members of WHS Group are Guarantors of the Bonds. WHS Group's financial position and performance is, however, relevant to the repayment of the Bonds because the majority of the Group's earnings are generated, and

tangible assets held, by the Guarantors, and it is these earnings and tangible assets which are used to repay the Bonds in due course.

WHS Financial Services Group is not part of the Guaranteeing Group. While this business does not currently contribute a material amount to WHS Group's financial position and performance, this will change if the financial services business grows in the future. As at 25 January 2015 total assets of the financial services business were \$39.5 million and total liabilities were \$26.3 million.

Selected financial information and ratios

\$MILLION	INTERIM FINANCIAL INFORMATION		FY14	FY13	FY12
	1H15	1H14			
Revenue	1,447.3	1,420.4	2,650.9	2,239.5	1,732.2
EBITDA (from continuing operations)	91.2	110.5	170.0	233.7	166.9
Adjusted EBITDA	86.2	97.0	149.5	158.7	141.3
Net profit after tax	43.3	58.7	77.8	144.7	89.8
Adjusted net profit after tax	37.2	46.2	60.7	73.7	65.2
Net cash flows from operating activities	128.7	143.9	76.6	93.7	44.5
Cash and cash equivalents	28.3	42.6	26.8	22.8	16.3
Total assets	1,221.5	1,117.2	1,131.7	995.7	734.1
Total debt	182.9	184.9	247.6	239.6	229.0
Total liabilities	654.9	665.8	607.8	583.9	416.7
Equity	566.6	451.4	523.9	411.8	317.4
Debt/EBITDA (from continuing operations)	n/a	n/a	1.5 x	1.0 x	1.4 x
Debt/Adjusted EBITDA	n/a	n/a	1.7 x	1.5 x	1.6 x
Debt/EBITDA is an indicator of the degree to which an entity has borrowed against earnings. The higher the number, the greater the risk that the entity will not be able to pay off its debts.					
Interest expense	7.7	7.3	13.9	11.7	10.3
EBITDA/interest expense (from continuing operations)	11.9 x	15.2 x	12.3 x	20.0 x	16.2 x
Adjusted EBITDA/interest expense	11.2 x	13.3 x	10.8 x	13.6 x	13.7 x
EBITDA/interest expense is a measure of the ability of an entity to pay interest on borrowings. The lower the number, the greater the risk that the entity will not be able to pay interest.					
Total tangible assets	1,072.5	992.3	988.0	887.3	720.7
Net tangible assets	417.7	326.6	380.2	303.3	304.0

WHS GROUP'S FINANCIAL INFORMATION

Notes:

'EBITDA' refers to Earnings before interest, tax, depreciation and amortisation from continuing operations. EBITDA from continuing operations can be calculated directly from the Group's Income Statement by adding together 'Depreciation and amortisation' and 'Earnings before interest and tax' which are separately disclosed.

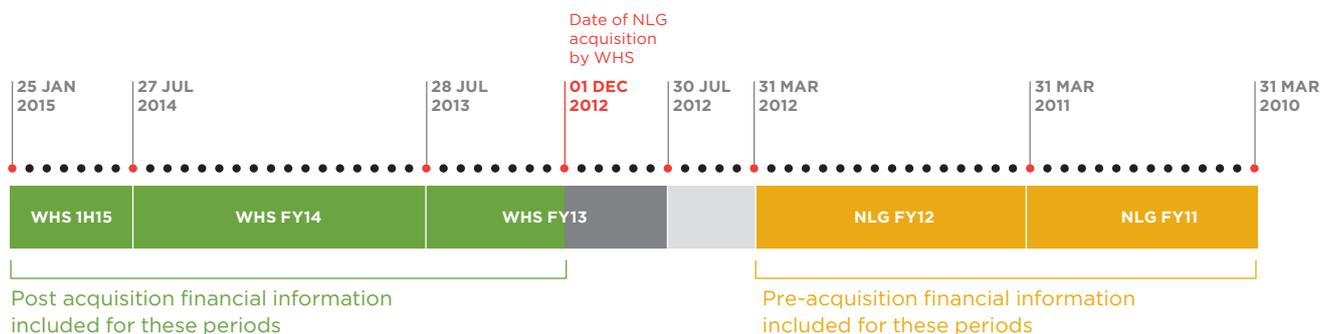
- 1 The adjusted EBITDA and adjusted net profit after tax information are non GAAP measures and are extracted from information contained in WHS Group's financial statements. They have been included because WHS Group believes it helps improve the understanding of underlying business performance.
- 2 Adjusted EBITDA makes allowance for the pre-tax effect of unusual items.
- 3 Adjusted net profit is net profit from continuing operations after minority interests and adjusted for the after tax effect of unusual items.
- 4 Unusual items include profits from the disposal of properties, release of warranty provisions and direct costs and contingent consideration adjustments relating to the acquisition of Subsidiaries. A reconciliation of these adjusted numbers to the reported numbers can be found at Schedule 3 on the Disclose register.
- 5 All numbers in this table are taken from, or calculated from, full year financial statements that have been audited, or interim financial statements that have been reviewed (but not audited), by WHS Group's external auditor.
- 6 The EBITDA/Interest expense (from continuing operations) and Adjusted EBITDA/Interest expense ratios for the interim period would be 10.6x and 9.7x respectively for 1H15 and 13.1x and 11.2x for 1H14 if calculated on the previous twelve months rather than the six month period. This removes the seasonality of WHS' financials from these ratios.

Recent acquisitions - Noel Leeming Group Limited

WHS Group acquired Noel Leeming Group Limited (**NLG**) during FY13 (in December 2012). The two tables below provide selected historical financial information about NLG before and after its acquisition by WHS.

The FMC Regulations would usually require WHS to provide selected financial information for NLG for FY12, FY13, FY14 and 1H15. However, WHS has not provided

selected financial information for NLG for the entire period of FY13 (30 July 2012 to 28 July 2013). Instead, pursuant to the Financial Markets Conduct Act (The Warehouse Group Limited) Exemption Notice 2015 granted by the Financial Markets Authority, the post acquisition financial information table only includes selected financial information for the 8 months from the acquisition on 1 December 2012 to 28 July 2013. These dates are illustrated in the following timeline:



WHS GROUP'S FINANCIAL INFORMATION

NLG financial information for the period commencing 1 April 2012, the date of the last audited financial statements of NLG prior to WHS Group's acquisition, up to 1 December 2012, the date of WHS Group's acquisition, is not provided. NLG management accounts were prepared during this pre-acquisition period. This period included acquisition related costs, pre-acquisition restructuring transactions and fair value adjustments that only arose as a result of the NLG acquisition and therefore these management accounts could not be used as a basis to extract reliable financial data for the purposes of populating the pre-acquisition table below. In addition

these management accounts did not comply, and were not required to comply, with generally accepted accounting practice in New Zealand.

The selected financial information for FY11, which is not required by the FMC Regulations, has also been included pursuant to the Financial Markets Conduct Act (The Warehouse Group Limited) Exemption Notice 2015 to give context to the financial information provided for FY12.

The directors of WHS are of the view that the non-compliance with the FMC Regulations will not have a material adverse effect on investors.

Post acquisition financial information table

\$MILLION	1H15 26 WEEKS TO 25 JAN 2015	FY14 52 WEEKS TO 27 JUL 2014	FY13 34 WEEKS FROM 1 DEC 2012 TO 28 JUL 2013
Revenue	330.4	620.5	390.7
EBITDA	5.2	15.6	14.1
Net profit after tax	1.3	7.3	3.6
Net cash flows from operating activities	4.6	6.0	39.0
Cash and cash equivalents	4.9	4.4	4.0
Total assets	209.3	178.8	161.2
Total debt	53.3	47.1	40.6
Total liabilities	196.8	167.5	157.5
Equity	12.5	11.2	3.7
Interest expense	0.2	(0.1)	0.0

Notes:

- 1 Some WHS FY13, FY14 and 1H15 numbers in this table are taken from, or calculated from, the notes to the full year financial statements that have been audited, or notes to the interim financial statements that have been reviewed (but not audited), by WHS Group's external auditor.
- 2 Other numbers in the table above have been taken directly from the consolidated accounts of the Noel Leeming group which have not been previously disclosed in either the Group's full year financial statements or the Group's interim financial statements. The consolidated accounts of the Noel Leeming group formed part of the audit of the full year financial statements or were reviewed (but not audited) as part of the interim financial statements, by WHS Group's external auditor.

WHS GROUP'S FINANCIAL INFORMATION

Pre-acquisition financial information table

\$MILLION	FY12 12 MONTHS TO 31 MARCH 2012	FY11 12 MONTHS TO 31 MARCH 2011
Revenue	607.8	564.7
EBITDA	16.7	13.6
Net profit after tax	2.2	(0.9)
Net cash flows from operating activities	n/a – see Note 3	n/a – see Note 3
Cash and cash equivalents	3.2	1.2
Total assets	215.0	210.0
Total debt	117.8	119.0
Total liabilities	202.6	199.8
Equity	12.4	10.2
Interest expense	7.6	7.7

Notes:

- 1 The balance date for NLG changed under WHS Group's ownership from March to July.
- 2 The FY11 and FY12 numbers in this table have been extracted in good faith from, or calculated from, the full year financial statements of NLG that were at the time audited by NLG's then external auditor. The directors of WHS Group were not involved in the preparation of this financial information because WHS Group did not own NLG at the time it was prepared.
- 3 There is no number for net cash flows from operating activities in the above table because a statement of cash flows was not included in NLG's financial statements (as per its reporting requirements at the time) and so WHS does not have that information available.
- 4 The financial information presented for NLG pre-acquisition (for FY11 and FY12) is not directly comparable to the financial information prepared for NLG under WHS' ownership (for FY13, FY14 and 1H15) for, among others, the following primary reasons:
 - a. WHS has a number of different accounting policies to the previous owner, primarily in respect of rebate recognition, lease make-good costs, sales returns, loyalty schemes, and recognition of inventory shrinkage which affects reported revenue and earnings;
 - b. the financial information presented for FY12 includes Bond & Bond Limited operations which were discontinued shortly after WHS' acquisition of NLG;
 - c. the capital structure of NLG was substantially different prior to the acquisition; and
 - d. a number of management expenses, that were incurred at a holding company level and recharged to NLG, ceased under WHS ownership.



RISKS OF INVESTING

Introduction

This section 8 describes potential risks associated with an investment in the Bonds. This section describes certain:

- general risks associated with an investment in the Bonds; and
- significant specific risks relating to WHS' creditworthiness.

The selection of risks has been based on an assessment of a combination of the probability of a risk occurring and the impact of the risk if it did occur. This assessment is based on the knowledge of the directors as at the date of this PDS. There is no guarantee or assurance that the importance of different risks will not change or that other risks may emerge over time.

Where practicable, WHS seeks to implement risk mitigation strategies to minimise the exposure to some of the risks outlined below, although there can be no assurance that such arrangements will fully protect WHS from such risks.

Investors should carefully consider these risk factors (together with the other information in this PDS) before deciding to invest in the Bonds. This summary does not cover all of the risks of investing in the Bonds. Further information about the risks of investing in the Bonds can be found at Schedule 1 of the Disclose register.

The statements of risks in this section do not take account of the personal circumstances, financial position or investment requirements of any particular person. It is important, therefore, that before making any investment decision, investors give consideration to the suitability of an investment in the Bonds in light of their individual risk profile for investments, investment objectives and personal circumstances (including financial and taxation issues).

General risks

An investment in the Bonds is subject to the general risks that:

- WHS becomes insolvent and is unable to meet its obligations under the Bonds, including the obligations to pay interest on, and repay the Principal Amount of, the Bonds;
- the Guarantors are unable to meet their obligations under the Guarantee if WHS defaults; and
- if Bondholders wish to sell their Bonds before maturity:
 - the price at which they are able to sell their Bonds is less than the Principal Amount they paid for the Bonds due to interest rate movements or for other reasons; or
 - they are unable to sell their Bonds at all due to lack of demand or the Bonds cease to be listed on the NZX Debt Market.

General risks related to the insolvency of WHS

In the event of insolvency of WHS, including a liquidation of WHS involving a shortfall of funds, the rights and claims of a Bondholder will rank equally with other Bondholders and equally amongst the rights and claims of holders of equal ranking obligations (including the lenders of the bank debt), but after all creditors preferred by law. In the

event of insolvency, there may be a shortfall of funds to pay all amounts ranking ahead of and equally with the Bonds. If such an event of insolvency occurs this would result in Bondholders not receiving a full return of the Principal Amount paid or any interest due and unpaid at that time on the Bonds.

General risks related to the market for the Bonds

Market price: The price at which Bondholders are able to sell their Bonds may be affected by a number of factors both dependent and independent of the creditworthiness of WHS. These independent factors may include the time remaining to the Maturity Date of the Bonds, the outstanding aggregate Principal Amount of the Bonds, the level of demand for the Bonds offered for sale in the secondary market from time to time, any legal restrictions limiting demand for Bonds, the availability of comparable securities, the level, direction and volatility of market interest rates and market conditions generally. For example, if market interest rates go up, the market value of the Bonds may go down and vice versa.

Liquidity: There can be no assurance that a secondary market for the Bonds will develop or of the liquidity of such a market. In the absence of a liquid secondary market for Bonds, Bondholders may not be able to sell their Bonds readily or at prices that will enable them to realise a yield comparable to that of similar instruments, if any, within a developed secondary market. Even following the development of a secondary market, and depending on market conditions and other factors, Bondholders seeking to sell relatively small or relatively large amounts of Bonds, may not be able to do so at prices comparable to those that may be available to other Bondholders.

Due to the factors described above, the Bonds may not be readily saleable, their value may fluctuate over time and such fluctuations may be significant and could result in losses to a Bondholder who wishes to sell Bonds prior to the Maturity Date.

Specific risks relating to WHS' creditworthiness

The circumstances that WHS is aware of that exist or are likely to arise that may, either individually or in combination, significantly affect the future financial performance of WHS Group, and therefore significantly increase the risk that WHS may default on its obligations to pay interest on, or repay the Principal Amount of, the Bonds and/or that Guarantors may not be able to meet their obligations under the Guarantee are set out below.

Competitive position

The New Zealand retail industry, in which WHS Group operates, is competitive and is subject to changing customer preferences. WHS Group's competitors include traditional department stores, discount department stores, specialty retailers, discount stores, independent local operators, mail order catalogues and online retailers nationally and internationally. Competition is based on factors including merchandise selection, price, advertising, store location, store appearance, product presentation and customer service.

WHS Group's competitive position may deteriorate as a result of factors including actions by existing competitors, the entry of new competitors or a failure by WHS Group to continue to position itself successfully as the retail environment and technology changes. Whilst WHS Group closely monitors its competitive position, it is difficult to anticipate actions by competitors and consequently assess the likelihood that its competitive position will deteriorate. Any deterioration in WHS Group's competitive position on a sustained basis may result in a decline in revenue and margins and a loss of market share.

Within WHS Group, a change in The Warehouse's competitive position would have the greatest impact. WHS Group's strategy to mitigate this risk is to diversify its business into other retail markets to broaden its earnings base, mitigate any particular cyclical or competitive risks in the general merchandise segment and to build broad retail expertise within its people. Similarly, the diversification into financial services leverages the Group's retail distribution channels while providing earnings from outside of the Group's retail sales business. While all of the markets that WHS Group operates in are highly competitive, successfully implementing this earnings diversification strategy is a key mitigation against competitive risks in any one segment disproportionately impacting the Group.

Customer preferences

The ability of WHS Group to gauge successfully and satisfy customer preferences is critical to WHS Group maintaining its competitive position. Specifically, WHS Group adapts its retail product offerings to overall changes in New Zealand demographics as well as adapting or expanding its product offerings, stores, channels and technologies in response to changes to customer preferences and customer demands in new areas, such as changing stationery requirements and financial services and via new channels such as the internet and mobile apps, all of which may also increase the nature and number of competitors that WHS Group faces. The effect of a failure to gauge and satisfy customer preferences or adapt or expand its product offering, stores, channels or technologies to the changing demands of its customer base may adversely affect WHS Group's market share or revenues.

In particular, a large number of products sold in WHS Group's stores are manufactured internationally, which means there can be a significant delay between ordering and delivery. This delay exposes WHS Group to the risk that customer preferences may change between the time products are ordered and the time they are available for purchase. Customer preferences may also be impacted by events outside WHS Group's control such as unseasonable weather, which may alter when consumers buy certain products, or whether they buy them at all.

WHS Group closely monitors customer preferences and market trends, however it is inherently difficult to assess the likelihood that they will change. Similarly, it is inherently difficult to assess the likelihood of events occurring outside its control. If WHS Group misjudges those preferences or fails to convert those trends into appealing product offerings on a timely basis, or is

negatively impacted by such events outside its control, this may result in lower revenue and margins.

Suppliers

WHS Group's suppliers may cease providing merchandise, change pricing levels, experience operational or transportation difficulties (resulting in a failure or delay in supplying products) or incur increased production or transportation costs which they may seek to pass on to WHS Group. If this occurs in relation to one or more major suppliers and WHS Group is unable to make acceptable alternative arrangements, WHS Group may suffer inventory shortages, a reduction in revenue and a loss of market share which may adversely affect its future financial performance. WHS Group has a large number of suppliers and so considers the likelihood of this risk occurring as relatively low.

WHS Group sources products from foreign suppliers. The Warehouse Limited has the greatest exposure to foreign suppliers with around 86% of products sourced from overseas, of which the majority are sourced from a large number of suppliers in China. A diversity of suppliers mitigates some of the key supplier risks, but WHS Group is still exposed to country specific risks including political instability, increased security requirements for foreign goods, costs and delays in international shipping arrangements (including the impact of movements in commodity prices), imposition of taxes and other charges as well as restrictions on imports, currency and exchange rate risks. WHS Group is also exposed to risks related to labour practices, environmental matters and other issues in the foreign jurisdictions where suppliers operate. Whilst WHS Group considers the likelihood of any of these risks occurring, in isolation or in combination, as low, if they did it could have a material adverse impact on WHS Group's future financial performance and financial position.

WHS Group's brands

WHS Group's brands, The Warehouse, Warehouse Stationery, Noel Leeming and Torpedo7 are key assets of the business. The reputation and value associated with WHS Group's brands could be adversely impacted by a number of factors, including failure to provide customers with the quality of product and service standards they expect, disputes or litigation with third parties such as regulatory bodies, employees, suppliers and customers or adverse media coverage. Significant erosion in the reputation of, or value associated with WHS Group's brands (particularly The Warehouse brand) could have an adverse impact on WHS Group's future financial performance and financial position. WHS Group considers that the likelihood of these risks occurring is relatively low.

Property and relationship with landlords

The large majority of WHS Group's stores are leased from a diversified group of landlords. The leases have a range of terms and option periods, although they are generally long term leases which WHS Group cannot readily terminate.

There is a risk that WHS Group may become subject to lease terms which are relatively unfavourable due to unanticipated changes in the property market, for example if market rents increase markedly, or as a result

of a store relocation. Changes in demographics as well as changes in customer shopping habits could result in the requirement to relocate stores, open new stores or close existing stores. The risk is that WHS Group will not be able to source new store locations and exit existing stores on competitive terms. This could result in a reduction in revenue if WHS Group stores are no longer in, or have to move away from, desirable locations, or increased costs if WHS Group is required to pay higher rents.

WHS Group has measures in place to mitigate these risks, including holding direct ownership of property considered to be strategic and/or prime and relevant in the context of WHS Group's core business over the long term. WHS Group therefore considers that the likelihood of these risks occurring or having a significant impact is relatively low.



TAX

Taxation of returns

The returns on the Bonds will be affected by taxes.

The information set out below is based on applicable tax legislation current as at the date of this PDS. Taxation laws are subject to change, and such changes may materially affect your tax position with respect to an investment in the Bonds.

All references to taxation in this PDS are of a general nature only, and are not legal or tax advice to any Bondholder. There may be other tax consequences arising from acquiring or disposing of the Bonds which are not described in this summary. You should seek qualified, independent financial and tax advice which is specific to your circumstances before deciding to invest. If you have any queries in relation to the tax consequences of investing in the Bonds, you should obtain professional advice on those consequences.

The summary below sets out the New Zealand tax consequences for New Zealand tax resident Bondholders (**Resident Bondholders**). Bondholders who are not tax resident in New Zealand should obtain tax advice before deciding to invest. WHS will not compensate or gross-up for any taxes deducted or withheld on payments under the Bonds.

RWT

RWT will be deducted by WHS from interest paid or credited to Resident Bondholders at a rate of up to 33% (depending on the Resident Bondholder's circumstances), unless they provide WHS with a valid RWT exemption certificate before the interest is paid.

RWT deducted will be available as a credit against any income tax liability of the Resident Bondholder.

Income tax: financial arrangements rules

The Bonds will be subject to the financial arrangements rules, the implications of which will depend on whether the Resident Bondholder is a 'cash-basis' person or not. Resident Bondholders who are 'cash-basis' persons will be taxed (at their relevant marginal tax rate) on interest paid or credited to them on the Bonds in the income year.

For Resident Bondholders who are not 'cash-basis' Resident Bondholders, income from the Bonds must be spread over the Bond term using a spreading method prescribed in the financial arrangements rules (often on a yield to maturity basis).

Both 'cash-basis' and 'non cash-basis' Resident Bondholders will be required to perform a base price adjustment in the income year in which the Bonds mature or are redeemed, or in which the Bondholder transfers their Bonds. The base price adjustment is a 'wash-up' calculation which brings to account any income which has not been accounted for over the term of the Bonds. Gains on the sale of Bonds are brought to account for tax purposes under the base price adjustment calculation.

Resident Bondholders should ascertain whether holding the Bonds will impact any provisional tax obligations they may have.

Exchange Offer

Resident holders of Maturing Bonds who elect to participate in the Exchange Offer should perform a base price adjustment for their Maturing Bonds in the income year of the Exchange Offer (being the year ended 31 March 2016 for standard balance date Resident Bondholders).

For the purposes of that calculation, Resident Bondholders should be treated as receiving the redemption amount for their Maturing Bonds which are the subject of the Exchange Offer even though that redemption amount is applied by the Resident Bondholder in subscribing for Bonds. Resident Bondholders should include the final interest payment made on 15 June 2015 in their base price adjustment calculation for the Maturing Bonds.



WHO IS INVOLVED?

	NAME	ROLE
Issuer	The Warehouse Group Limited	Issuer of the Bonds
Supervisor	The New Zealand Guardian Trust Company Limited	Holds certain covenants on trust for the benefit of the Bondholders, including the right to enforce WHS' obligations under the Bonds
Arranger and Joint Lead Manager	Deutsche Craigs Limited	Provides advice and assistance to WHS and arranges the Offer
Joint Lead Managers	ANZ Bank New Zealand Limited Bank of New Zealand	Assist with the marketing and distribution of the Offer
Organising Participant	Craigs Investment Partners Limited	Is responsible for lodging documentation for quotation of the Bonds with NZX
Securities Registrar	Computershare Investor Services Limited	Maintains Register of Bondholders
Solicitors to the Issuer	Russell McVeagh	Provides legal advice to WHS in respect of the Offer
Solicitors to the Supervisor	Bell Gully	Provides legal advice to The New Zealand Guardian Trust Company Limited in respect of the Offer

No person other than The Warehouse Group Limited and its Guaranteeing Subsidiaries are responsible for, or guarantees, the repayment of the Bonds or the payment of interest on the Bonds.



HOW TO COMPLAIN

If you have any problems or concerns about the Bonds, we want to know about them. Please contact us, via the contact details in section 14 of this PDS (Contact information) outlining your problems or concerns and we will endeavour to resolve the issues through our internal dispute resolution procedures. You may request a copy of these procedures by writing to us at the address in section 14 of this PDS (Contact information).

You may also direct any complaints about the Bonds to the Supervisor at the contact details below.

The New Zealand Guardian Trust Company Limited

Level 15
191 Queen Street
PO Box 274, Shortland Street
Auckland
Phone number: +64 9 969 5100
Email address: ct-auckland@nzgt.co.nz
Attention: General Manager – Corporate Trusts

The Supervisor is a member of an external, independent dispute resolution scheme operated by Financial Services Complaints Limited (FSCL) and approved by the Ministry of Consumer Affairs. If the Supervisor has not been able to resolve your issue, you can refer the matter to FSCL by emailing info@fscl.org.nz, or calling FSCL on 0800 347 257, or by contacting the Complaint Investigation Officer, Financial Services Complaints Limited, Level 12, 45 Johnston Street, Wellington 6145. The scheme will not charge a fee to any complainant to investigate or resolve a complaint.

Complaints may be made to the Financial Markets Authority through their website www.fma.govt.nz.



WHERE YOU CAN FIND MORE INFORMATION

Disclose register

Further information relating to WHS and the Bonds (for example, the financial statements) is available on the Disclose register. A copy of the information on the Disclose register is available on request to the Registrar at this email address: registrar@fspr.govt.nz. The website for the Disclose register is www.business.govt.nz/companies/disclose.

13

HOW TO APPLY

General Offer

Applicants accepting a Firm Allocation under the General Offer from a Primary Market Participant or other approved financial intermediary must return a completed white General Offer Application Form contained at the back of this PDS (with payment) to the office of that Primary Market Participant or financial intermediary in time to enable forwarding to the Securities Registrar before 5.00 pm on the General Offer Closing Date (10 June 2015).

If there is a public pool, Applications to subscribe for Bonds under the General Offer must be made on the white General Offer Application Form contained at the back of this PDS and lodged (with payment) with the Securities Registrar before 5.00 pm on 10 June 2015 (General Offer Closing Date). Alternatively, your application may be lodged (together with payment) with any Primary Market Participant, a Joint Lead Manager or any other channel approved by the NZX, in time to enable forwarding to the Securities Registrar before 5.00 pm on the General Offer Closing Date.

Exchange Offer

If you are a holder of the Maturing Bonds, you will be sent a green personalised Exchange Offer Application Form with this PDS. Applications to subscribe for Bonds under the Exchange Offer must be made on the green Exchange Offer Application Form and must be mailed or delivered so as to be received by the Securities Registrar before 5.00 pm on the Exchange Offer Closing Date (5 June 2015).

Alternatively, your application may be lodged with any Primary Market Participant, any Joint Lead Manager or any other channel approved by NZX, in time to enable forwarding to the Securities Registrar before 5.00 pm on the Exchange Offer Closing Date.

Please lodge your Application Form **AS SOON AS POSSIBLE**. Applicants should remember that the Exchange Offer Closing Date and/or the General Offer Closing Date may be changed at the sole discretion of WHS.

An application cannot be withdrawn or revoked by the applicant once it has been submitted.

Additional instructions on how to apply for Bonds are set out with the Application Forms.

14

CONTACT INFORMATION

Contact details of the Issuer

The Warehouse Group Limited
26 The Warehouse Way
PO Box 33470, Takapuna
North Shore 0740
Phone: +64 9 489 7000

Contact details of the Securities Registrar

Computershare Investor Services Limited
Level 2
159 Hurstmere Road
Takapuna, Auckland 0622
Private Bag 92119
Auckland 1142
Phone: +64 9 488 8777



GLOSSARY

\$, NZD or NZ\$	New Zealand dollars.
1H14	the 26 week period ending 26 January 2014.
1H15	the 26 week period ending 25 January 2015.
Application Form	either the General Offer Application Form or the Exchange Offer Application Form, as appropriate.
Arranger	Deutsche Craigs Limited.
Bondholder	a person whose name is entered in the Register as a holder of a Bond.
Bonds	the bonds constituted and issued pursuant to the Trust Deed and offered pursuant to this PDS.
Bookbuild	the process expected to take place on 19 May 2015 conducted by the Joint Lead Managers, under which selected institutional investors, Primary Market Participants and other parties invited to participate in the process will lodge bids indicating the number of Bonds they wish to apply for at a range of rates to assist WHS in determining the Interest Rate.
Business Day	a day on which the NZX is open for trading.
Change of Control	has the meaning given to that term in clause 1.1 of the Trust Deed.
Change of Control Call Premium	means: (a) in respect of Bonds redeemed more than 3 years prior to the Maturity Date for those Bonds, \$0.03 per Bond; (b) in respect of Bonds redeemed more than 2 years but no more than 3 years prior to the Maturity Date for those Bonds, \$0.02 per Bond; (c) in respect of Bonds redeemed more than 1 year but no more than 2 years prior to the Maturity Date for those Bonds, \$0.01 per Bond; and (d) in respect of Bonds redeemed no more than 1 year prior to the Maturity Date for those Bonds, \$0.00 per Bond.
Disclose register	means the online offer register maintained by the Companies Office and the Registrar of Financial Service Providers known as 'Disclose'.
EBIT	net operating profit before charging or providing for income tax or charging interest and financing costs, adjusted by excluding unusual items, equity accounted gains and losses, other unrealised gains and losses and interest income.
Events of Default	are summarised in section 6 (Key features of Bonds) and means each event set out in clause 12.1 of the Trust Deed.
Exchange Offer	the Offer made to holders of Maturing Bonds resident in New Zealand under this PDS.
Exchange Offer Application Form	the green Application Form sent to holders of Maturing Bonds relating to the Exchange Offer.
Exchange Offer Closing Date	5 June 2015, or such other date that WHS may determine.
Financial Services Entity	means any Subsidiary of WHS whose principal business comprises the provision of one or more financial service (as defined in the Financial Services (Registration and Dispute Resolution) Act 2008) and includes as of the date of this Deed, each of TWP No.6 Limited, Diners Club (NZ) Limited, TW Financial Services Operations Limited and TW Money Limited. It does not include WHS Group's joint venture with Westpac, The Warehouse Financial Services Limited.

GLOSSARY

Firm Allocations	Bonds offered under the General Offer reserved for subscription by clients of the Arranger, the Joint Lead Managers, institutional investors, Primary Market Participants and other approved financial intermediaries, as determined by the Joint Lead Managers, in consultation with WHS, on or before the Opening Date.
FMC Act	Financial Markets Conduct Act 2013.
FMC Regulations	Financial Markets Conduct Regulations 2014.
FY[Year]	the financial year of the relevant reporting entity. In reference to WHS this would typically be a 52 week period ending on or about the last Sunday in July.
generally accepted accounting practice or GAAP	has the meaning given to that term in the Financial Markets Conduct Regulations 2014.
General Offer	the Offer made to members of the public resident in New Zealand for Bonds under this PDS.
General Offer Application Form	the white Application Form contained in the back of this PDS relating to the General Offer.
General Offer Closing Date	10 June 2015, or such other date that WHS may determine.
Guarantee	is described in section 6 (Key features of Bonds), and means the deed of guarantee and indemnity entered into by the Guarantors in favour of the Supervisor.
Guaranteeing Group	WHS and the Guarantors.
Guarantors	<p>as at the date of the PDS are:</p> <ul style="list-style-type: none"> • The Warehouse Limited • The Warehouse Nominees Limited • The Warehouse Card Limited • Boye Developments Limited • Warehouse Stationery Limited • Eldamos Investments Limited • Eldamos Nominees Limited • The Warehouse Management Trustee Company Limited • The Warehouse Management Trustee Company No.2 Limited • The Warehouse Cellars Limited • Waikato Valley Chocolates Limited • TWL Products Limited • TWP No.2 Limited • TWP No.3 Limited • TWP No.4 Limited • TWP No.5 Limited • Noel Leeming Group Limited • Torpedo7 Limited • 1-Day Limited • Torpedo7 Fitness Limited • R R S 2013 Limited • Torpedo7 Supplements Limited • TWGA Pty Limited • TWL Australia Pty Limited. <p>Guarantors may change, as described in section 6 (Key features of Bonds).</p>
Interest Payment Dates	15 June and 15 December in each year (or if that day is not a Business Day, the next Business Day) until and including the Maturity Date, with the first Interest Payment Date being 15 December 2015.
Interest Rate	the rate of interest per annum payable on the Principal Amount of the Bonds as announced by WHS through NZX on 19 May 2015.
IRD	New Zealand Inland Revenue Department.
Issue Date	15 June 2015.
Issue Price	\$1.00 per Bond, being the Principal Amount of each Bond.
Joint Lead Managers	Deutsche Craigs Limited, ANZ Bank New Zealand Limited and Bank of New Zealand.
Listing Rules	the listing rules applying to the NZX Debt Market, as amended from time to time.
Maturing Bonds	WHS bonds that mature on 15 June 2015 that are listed on the NZX Debt Market under the ticker code WHS010.
Maturity Date	15 June 2020.
Negative Pledge	means the Negative Pledge Deed originally dated 5 October 2000 (as amended by an amendment deed dated on or about 23 April 2015) entered into by the Guaranteeing Group for the benefit of certain beneficiaries. Neither the Supervisor, nor the Bondholders, have the benefit of the Negative Pledge or the bank debt facility documents. Those documents can be amended without the Supervisor's, or any Bondholder's, consent.

GLOSSARY

NZX	NZX Limited.
NZX Debt Market	the debt security market operated by NZX.
Offer	the offer of Bonds made by WHS under this PDS.
Opening Date	20 May 2015, or such other date that WHS may determine.
Organising Participant	Craigs Investment Partners Limited.
PDS	this product disclosure statement for the Offer dated 7 May 2015.
Primary Market Participant	has the meaning given to that term in the Listing Rules.
Principal Amount	\$1.00 per Bond.
Register	the register in respect of the Bonds maintained by the Securities Registrar.
Registrar	means the Registrar of Financial Service Providers appointed under section 35 of the Financial Service Providers (Registration and Dispute Resolution) Act 2008.
Resident Bondholders	New Zealand tax resident Bondholders.
RWT	resident withholding tax.
Securities Registrar	Computershare Investor Services Limited.
Share	an ordinary share in WHS.
Subsidiary	has the meaning given to that term in the FMC Regulations.
Substantial Subsidiary	Subsidiary of WHS where either the Subsidiary's EBIT exceeds 1% of the EBIT of WHS Retail Group or the Subsidiary's Total Tangible Assets exceeds 1% of the Total Tangible Assets of WHS Retail Group.
Supervisor	The New Zealand Guardian Trust Company Limited or such other supervisor as may hold office as supervisor under the Trust Deed from time to time.
Torpedo7 Group	Torpedo7 Limited and its Subsidiaries.
Total Tangible Assets	total assets excluding all assets which are considered to be intangible assets other than deferred taxation assets.
Trust Deed	<ul style="list-style-type: none"> the Trust Deed dated 7 May 2015 between WHS and the Supervisor pursuant to which certain bonds may be issued (as amended or supplemented from time to time); the Supplemental Trust Deed dated 7 May 2015 between WHS and the Supervisor; and where relevant, includes the Guarantee.
WHS Group or Group	WHS and its Subsidiaries.
WHS	The Warehouse Group Limited.
WHS Financial Services Group	means all the Financial Services Entities.
WHS Retail Group	means WHS and all Subsidiaries of WHS other than any Financial Services Entity.

GENERAL OFFER APPLICATION FORM



BROKER'S
STAMP

ADVISER CODE

This Application Form is for an offer of Bonds by The Warehouse Group Limited (WHS) to institutional investors and members of the public resident in New Zealand. Before completing this Application Form, you should read the Product Disclosure Statement dated 7 May 2015 which WHS has issued with respect to the proposed offer of Bonds (PDS) and the further information relating to WHS and the Bonds available on the Disclose

register. Capitalised words used but not defined in this General Offer Application Form have the same meaning given to them in the PDS. Your Application Form must be received by Computershare Investor Services Limited (Securities Registrar) by 5.00pm on 10 June 2015. WHS may accept or reject all or part of an application without giving reason.

PLEASE COMPLETE THIS APPLICATION FORM USING BLOCK LETTERS

1. APPLICATION DETAILS AND INFORMATION (PLEASE PRINT IN BLOCK LETTERS)

Applications must be made in the name(s) of natural persons, companies or other legal entities, up to a maximum of three names per application.

FIRST NAME(S)	<input type="text"/>	LAST NAME	<input type="text"/>
FIRST NAME(S)	<input type="text"/>	LAST NAME	<input type="text"/>
FIRST NAME(S)	<input type="text"/>	LAST NAME	<input type="text"/>
COMPANY OR DESIGNATED ACCOUNT NAME <input type="text"/>			
POSTAL ADDRESS AND POSTAL CODE <input type="text"/>			
PHONE NUMBER: MOBILE	<input type="text"/>	BUSINESS HOURS	<input type="text"/>

2. APPLICATION AMOUNT AND PAYMENT

Applications must be accompanied by payment in full, in New Zealand currency based on NZ\$1.00 per Bond. Applications must be for a minimum of NZ\$5,000 and, thereafter, in multiples of NZ\$1,000.

AMOUNT OF BONDS APPLIED FOR \$

You may choose only ONE of the options below for payment of your application moneys. Please tick the box next to your selected option

OPTION 1 - Direct debit Please direct debit my bank account stated below for the amount of Bonds applied for above (or any lesser amount as determined by WHS). By ticking this box and signing this Application Form, I agree that the Securities Registrar is authorised to direct debit my account for the full amount of Bonds applied for (or any lesser amount as determined by WHS). Future Interest payments will be direct credited to this account unless a different account is specified in 3. below.

NEW ZEALAND DOLLAR BANK ACCOUNT DETAILS FOR DIRECT DEBIT

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
BANK	BRANCH	ACCOUNT NO.	SUFFIX

NAME OF BANK ACCOUNT NAME

OPTION 2 - Cheque Please find attached my cheque payable to 'WHS Bond Offer' and crossed 'Not Transferable'. I have supplied my bank account details under 3. below for the purpose of direct crediting any future Interest paid by WHS.

OPTION 3 - NZClear System Payment will be made by NZClear as arranged with the Securities Registrar (authorised institutional investors only). I have supplied my bank account details under 3. below for the purpose of direct crediting any future Interest paid by WHS.

NZCLEAR MNEMONIC

3. INTEREST AND REDEMPTION PAYMENTS

NEW ZEALAND DOLLAR BANK ACCOUNT DETAILS FOR FUTURE PAYMENTS

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
BANK	BRANCH	ACCOUNT NO.	SUFFIX

NAME OF BANK ACCOUNT NAME

OR for the purpose of Interest payments only, direct credit to my cash management account

NAME OF NZX PARTICIPANT WHERE CASH MANAGEMENT ACCOUNT HELD

CASH MANAGEMENT ACCOUNT CLIENT ACCOUNT NUMBER

If you wish to have your future Interest payments direct credited to a different bank account you need to advise the Securities Registrar in writing.

4. COMMON SHAREHOLDER NUMBER (CSN)

Please note that the application must be in the same name as the CSN below otherwise the application will be deemed to be made without a CSN and a new CSN will be allocated.

If you hold any other securities under a CSN, please enter your CSN here

GENERAL OFFER APPLICATION FORM

5. IRD NUMBER AND RESIDENT WITHHOLDING TAX RATE

IRD NUMBER (ONLY ONE IRD NUMBER IS REQUIRED IN RESPECT OF A JOINT APPLICATION)

Deduct resident withholding tax (RWT) from my Interest earned at the following rate (please tick one).

Please note that companies (other than a company which is acting as a trustee or a company which is a Maori authority) do not need to tick any box unless they hold an RWT exemption certificate. Tax will automatically be deducted at 28%.

10.5% 17.5% 30% 33%

Exempt – please tick this box if you hold an RWT exemption certificate from the IRD and attach a copy of your RWT exemption certificate.

The RWT exemption certificate must relate to the IRD number provided.

COUNTRY OF RESIDENCE FOR TAX PURPOSES

If not a New Zealand tax resident, are you engaged in business in New Zealand through a fixed establishment in New Zealand? Yes No

6. ELECTRONIC CORRESPONDENCE AND REPORTING

To enable WHS to provide you electronically with correspondence in relation to your holding in this security, please complete your email address below. If you do not provide an email address, investor correspondence will be mailed to you at the address provided on this Application Form.

EMAIL

7. AGREEMENT OF TERMS

I/We hereby acknowledge that I/we have received and read the PDS for the Bonds, and apply for the principal amount of Bonds set out above and agree to accept such Bonds (or such lesser number as may be allotted to me/us) on, and subject to, the terms and conditions set out in the PDS.

All applicants on the Application Form must sign.

SIGNATURE(S)

DATE 2015

Your Application Form must be delivered in accordance with the instructions in section 13 of the PDS under the heading “How to Apply”.

8. THIS APPLICATION FORM MUST BE RECEIVED BY THE SECURITIES REGISTRAR NO LATER THAN 5PM ON 10 JUNE 2015

DELIVER TO: WHS Bond Offer, Computershare Investor Services Limited
Private Bag 92119, Auckland 1142

PHYSICAL ADDRESS: Level 2, 159 Hurstmere Road
Takapuna, Auckland 0622

INVESTOR PHONE NUMBER: (09) 488 8777

9. TERMS AND CONDITIONS OF APPLICATION

- By signing (or authorising an attorney or agent to sign) this Application Form:
 - the applicant acknowledges that this form was distributed with the PDS; and
 - the applicant acknowledges that he/she/it has read and understood the PDS.
- An application received by the Securities Registrar cannot be withdrawn or revoked by the applicant.
- WHS reserves the right to decline any application, in whole or in part, without giving any reason. WHS may decide not to accept any applications whatsoever.
- A joint application must be signed by all applicants. Only the address of the first named of the joint applicants will be recorded on the Register and all Interest payments, notices and other correspondence will be sent to that address.
- Applications lodged by individuals must be signed personally or by their attorney or agent. If this Application Form is signed by an attorney, the attorney must complete the certificate of non-revocation of power of attorney set out on the following page. If this Application Form is signed by an agent, the agent must complete the certificate of non-revocation of agency set out on the following page.

The information in this Application Form is provided to enable WHS and the Securities Registrar to process your application, and to administer your investment. By signing this Application Form, you authorise WHS and the Securities Registrar to disclose information in situations where WHS or the Securities Registrar are required or permitted to do so by any applicable law or by a governmental, judicial or regulatory entity or authority in any jurisdiction. If you are an individual under the Privacy Act 1993, you have the right to access and correct any of your personal information.

10. FORM OF REGISTRABLE NAMES

Note that ONLY LEGAL ENTITIES are allowed to hold Bonds. Applications must be in the name(s) of natural persons, companies or other legal entities acceptable to WHS. At least one full given name and surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable names below.

Type of investor

Individual – use given name in full, not initials.

Company – use company title, not abbreviations.

Trusts – do not use the name of the trust, use the personal name(s) of the trustee(s). All trustees must apply as joint applicants.

Deceased estates – do not use the name(s) of deceased, use the personal name(s) of the executor(s).

Clubs/Unincorporated bodies – do not use the name(s) of clubs etc, use the personal name(s) of the office bearer(s).

Superannuation Funds – do not use the name of the fund, use the personal name(s) of the trustee(s).

GENERAL OFFER APPLICATION FORM

11. CERTIFICATE OF NON-REVOCATION OF AGENCY

COMPLETE THIS SECTION IF YOU ARE ACTING AS AGENT ON BEHALF OF THE APPLICANT ON THIS APPLICATION FORM

I, (full name) of (place and country of residence, occupation),

hereby certify that:

1. By the agency agreement dated (date of instrument creating the power of agency),
 (full name of person/body corporate which appointed you as agent) of
 (place and country of residence of person/body corporate which appointed you as agent')
Appointed me agent; (his/her/its)
2. That I have executed the application for Bonds printed on this Application Form under that appointment and pursuant to the powers thereby conferred on me; and
3. That I have not received notice or information of the revocation of my appointment as agent.

SIGNATURE OF AGENT

Signed at this day of 2015

* If a donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.

12. CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

COMPLETE THIS SECTION IF YOU ARE ACTING ON BEHALF OF THE APPLICANT ON THIS APPLICATION FORM FOR WHOM YOU HAVE POWER OF ATTORNEY

I, (full name) of (place and country of residence, occupation),

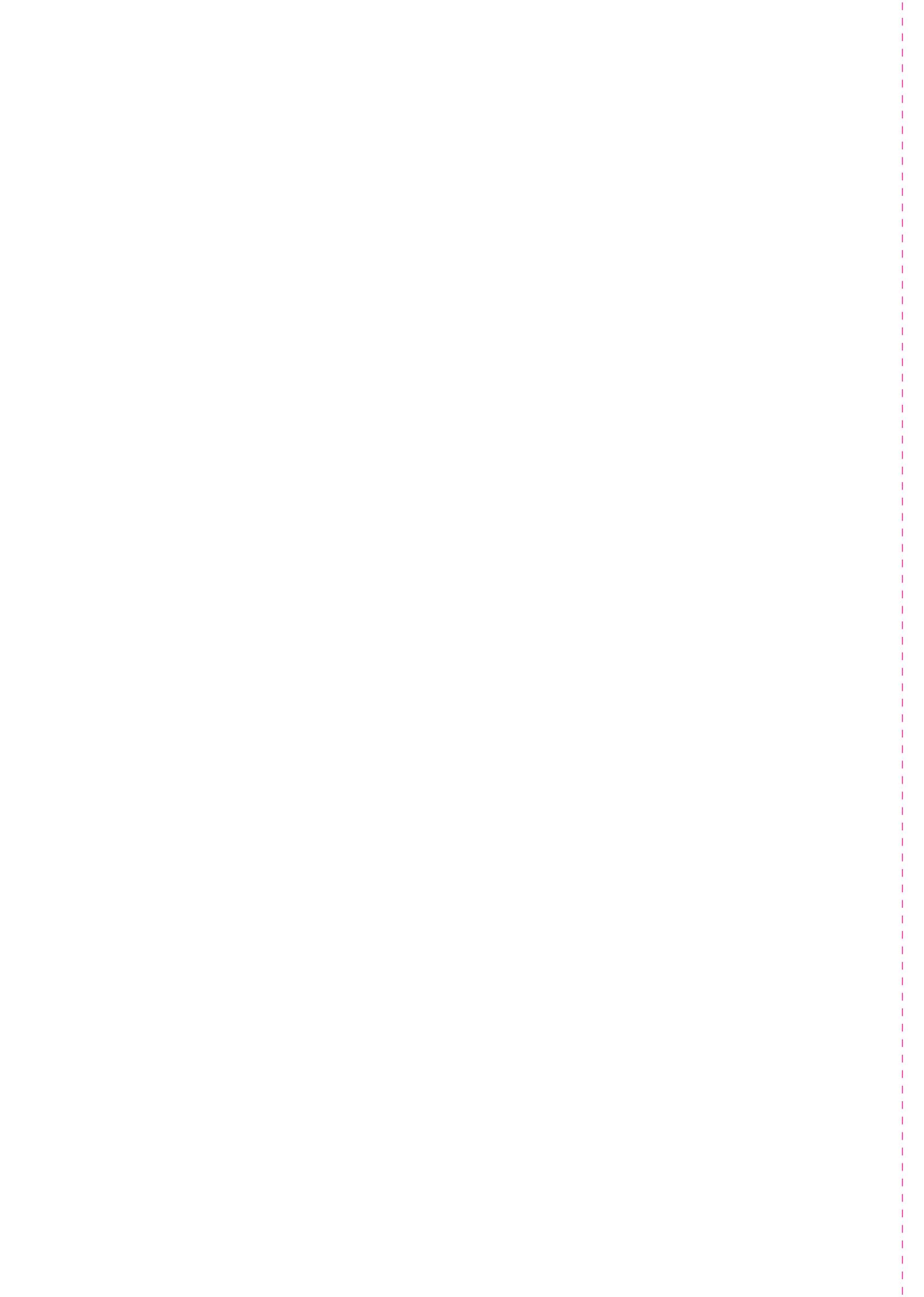
hereby certify that:

1. By deed dated (date of instrument creating the power of attorney),
 (full name of person/body corporate which granted the power of attorney) of
 (place and country of residence of person/body corporate which granted the power of attorney')
Appointed me attorney; (his/her/its)
2. That I have executed the application for Bonds printed on this Application Form under that appointment and pursuant to the powers thereby conferred on me; and
3. That I have not received notice of any event revoking the power of attorney.

SIGNATURE OF ATTORNEY

Signed at this day of 2015

† If a donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.



GENERAL OFFER APPLICATION FORM



BROKER'S
STAMP

ADVISER CODE

This Application Form is for an offer of Bonds by The Warehouse Group Limited (WHS) to institutional investors and members of the public resident in New Zealand. Before completing this Application Form, you should read the Product Disclosure Statement dated 7 May 2015 which WHS has issued with respect to the proposed offer of Bonds (PDS) and the further information relating to WHS and the Bonds available on the Disclose

register. Capitalised words used but not defined in this General Offer Application Form have the same meaning given to them in the PDS. Your Application Form must be received by Computershare Investor Services Limited (Securities Registrar) by 5.00pm on 10 June 2015. WHS may accept or reject all or part of an application without giving reason.

PLEASE COMPLETE THIS APPLICATION FORM USING BLOCK LETTERS

1. APPLICATION DETAILS AND INFORMATION (PLEASE PRINT IN BLOCK LETTERS)

Applications must be made in the name(s) of natural persons, companies or other legal entities, up to a maximum of three names per application.

FIRST NAME(S)	<input type="text"/>	LAST NAME	<input type="text"/>
FIRST NAME(S)	<input type="text"/>	LAST NAME	<input type="text"/>
FIRST NAME(S)	<input type="text"/>	LAST NAME	<input type="text"/>
COMPANY OR DESIGNATED ACCOUNT NAME <input type="text"/>			
POSTAL ADDRESS AND POSTAL CODE <input type="text"/>			
PHONE NUMBER: MOBILE	<input type="text"/>	BUSINESS HOURS	<input type="text"/>

2. APPLICATION AMOUNT AND PAYMENT

Applications must be accompanied by payment in full, in New Zealand currency based on NZ\$1.00 per Bond. Applications must be for a minimum of NZ\$5,000 and, thereafter, in multiples of NZ\$1,000.

AMOUNT OF BONDS APPLIED FOR \$

You may choose only ONE of the options below for payment of your application moneys. Please tick the box next to your selected option

OPTION 1 - Direct debit Please direct debit my bank account stated below for the amount of Bonds applied for above (or any lesser amount as determined by WHS). By ticking this box and signing this Application Form, I agree that the Securities Registrar is authorised to direct debit my account for the full amount of Bonds applied for (or any lesser amount as determined by WHS). Future Interest payments will be direct credited to this account unless a different account is specified in 3. below.

NEW ZEALAND DOLLAR BANK ACCOUNT DETAILS FOR DIRECT DEBIT

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
BANK	BRANCH	ACCOUNT NO.	SUFFIX

NAME OF BANK ACCOUNT NAME

OPTION 2 - Cheque Please find attached my cheque payable to 'WHS Bond Offer' and crossed 'Not Transferable'. I have supplied my bank account details under 3. below for the purpose of direct crediting any future Interest paid by WHS.

OPTION 3 - NZClear System Payment will be made by NZClear as arranged with the Securities Registrar (authorised institutional investors only). I have supplied my bank account details under 3. below for the purpose of direct crediting any future Interest paid by WHS.

NZCLEAR MNEMONIC

3. INTEREST AND REDEMPTION PAYMENTS

NEW ZEALAND DOLLAR BANK ACCOUNT DETAILS FOR FUTURE PAYMENTS

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
BANK	BRANCH	ACCOUNT NO.	SUFFIX

NAME OF BANK ACCOUNT NAME

OR for the purpose of Interest payments only, direct credit to my cash management account

NAME OF NZX PARTICIPANT WHERE CASH MANAGEMENT ACCOUNT HELD

CASH MANAGEMENT ACCOUNT CLIENT ACCOUNT NUMBER

If you wish to have your future Interest payments direct credited to a different bank account you need to advise the Securities Registrar in writing.

4. COMMON SHAREHOLDER NUMBER (CSN)

Please note that the application must be in the same name as the CSN below otherwise the application will be deemed to be made without a CSN and a new CSN will be allocated.

If you hold any other securities under a CSN, please enter your CSN here

GENERAL OFFER APPLICATION FORM

5. IRD NUMBER AND RESIDENT WITHHOLDING TAX RATE

IRD NUMBER (ONLY ONE IRD NUMBER IS REQUIRED IN RESPECT OF A JOINT APPLICATION)

Deduct resident withholding tax (RWT) from my Interest earned at the following rate (please tick one).

Please note that companies (other than a company which is acting as a trustee or a company which is a Maori authority) do not need to tick any box unless they hold an RWT exemption certificate. Tax will automatically be deducted at 28%.

10.5% 17.5% 30% 33%

Exempt – please tick this box if you hold an RWT exemption certificate from the IRD and attach a copy of your RWT exemption certificate.

The RWT exemption certificate must relate to the IRD number provided.

COUNTRY OF RESIDENCE FOR TAX PURPOSES

If not a New Zealand tax resident, are you engaged in business in New Zealand through a fixed establishment in New Zealand? Yes No

6. ELECTRONIC CORRESPONDENCE AND REPORTING

To enable WHS to provide you electronically with correspondence in relation to your holding in this security, please complete your email address below. If you do not provide an email address, investor correspondence will be mailed to you at the address provided on this Application Form.

EMAIL

7. AGREEMENT OF TERMS

I/We hereby acknowledge that I/we have received and read the PDS for the Bonds, and apply for the principal amount of Bonds set out above and agree to accept such Bonds (or such lesser number as may be allotted to me/us) on, and subject to, the terms and conditions set out in the PDS.

All applicants on the Application Form must sign.

SIGNATURE(S)

DATE 2015

Your Application Form must be delivered in accordance with the instructions in section 13 of the PDS under the heading “How to Apply”.

8. THIS APPLICATION FORM MUST BE RECEIVED BY THE SECURITIES REGISTRAR NO LATER THAN 5PM ON 10 JUNE 2015

DELIVER TO: WHS Bond Offer, Computershare Investor Services Limited
Private Bag 92119, Auckland 1142

PHYSICAL ADDRESS: Level 2, 159 Hurstmere Road
Takapuna, Auckland 0622

INVESTOR PHONE NUMBER: (09) 488 8777

9. TERMS AND CONDITIONS OF APPLICATION

- By signing (or authorising an attorney or agent to sign) this Application Form:
 - the applicant acknowledges that this form was distributed with the PDS; and
 - the applicant acknowledges that he/she/it has read and understood the PDS.
- An application received by the Securities Registrar cannot be withdrawn or revoked by the applicant.
- WHS reserves the right to decline any application, in whole or in part, without giving any reason. WHS may decide not to accept any applications whatsoever.
- A joint application must be signed by all applicants. Only the address of the first named of the joint applicants will be recorded on the Register and all Interest payments, notices and other correspondence will be sent to that address.
- Applications lodged by individuals must be signed personally or by their attorney or agent. If this Application Form is signed by an attorney, the attorney must complete the certificate of non-revocation of power of attorney set out on the following page. If this Application Form is signed by an agent, the agent must complete the certificate of non-revocation of agency set out on the following page.

The information in this Application Form is provided to enable WHS and the Securities Registrar to process your application, and to administer your investment. By signing this Application Form, you authorise WHS and the Securities Registrar to disclose information in situations where WHS or the Securities Registrar are required or permitted to do so by any applicable law or by a governmental, judicial or regulatory entity or authority in any jurisdiction. If you are an individual under the Privacy Act 1993, you have the right to access and correct any of your personal information.

10. FORM OF REGISTRABLE NAMES

Note that ONLY LEGAL ENTITIES are allowed to hold Bonds. Applications must be in the name(s) of natural persons, companies or other legal entities acceptable to WHS. At least one full given name and surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable names below.

Type of investor

Individual – use given name in full, not initials.

Company – use company title, not abbreviations.

Trusts – do not use the name of the trust, use the personal name(s) of the trustee(s). All trustees must apply as joint applicants.

Deceased estates – do not use the name(s) of deceased, use the personal name(s) of the executor(s).

Clubs/Unincorporated bodies – do not use the name(s) of clubs etc, use the personal name(s) of the office bearer(s).

Superannuation Funds – do not use the name of the fund, use the personal name(s) of the trustee(s).

GENERAL OFFER APPLICATION FORM

11. CERTIFICATE OF NON-REVOCATION OF AGENCY

COMPLETE THIS SECTION IF YOU ARE ACTING AS AGENT ON BEHALF OF THE APPLICANT ON THIS APPLICATION FORM

I, (full name) of (place and country of residence, occupation),

hereby certify that:

1. By the agency agreement dated (date of instrument creating the power of agency),
 (full name of person/body corporate which appointed you as agent) of
 (place and country of residence of person/body corporate which appointed you as agent')
Appointed me agent; (his/her/its)
2. That I have executed the application for Bonds printed on this Application Form under that appointment and pursuant to the powers thereby conferred on me; and
3. That I have not received notice or information of the revocation of my appointment as agent.

SIGNATURE OF AGENT

Signed at this day of 2015

* If a donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.

12. CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

COMPLETE THIS SECTION IF YOU ARE ACTING ON BEHALF OF THE APPLICANT ON THIS APPLICATION FORM FOR WHOM YOU HAVE POWER OF ATTORNEY

I, (full name) of (place and country of residence, occupation),

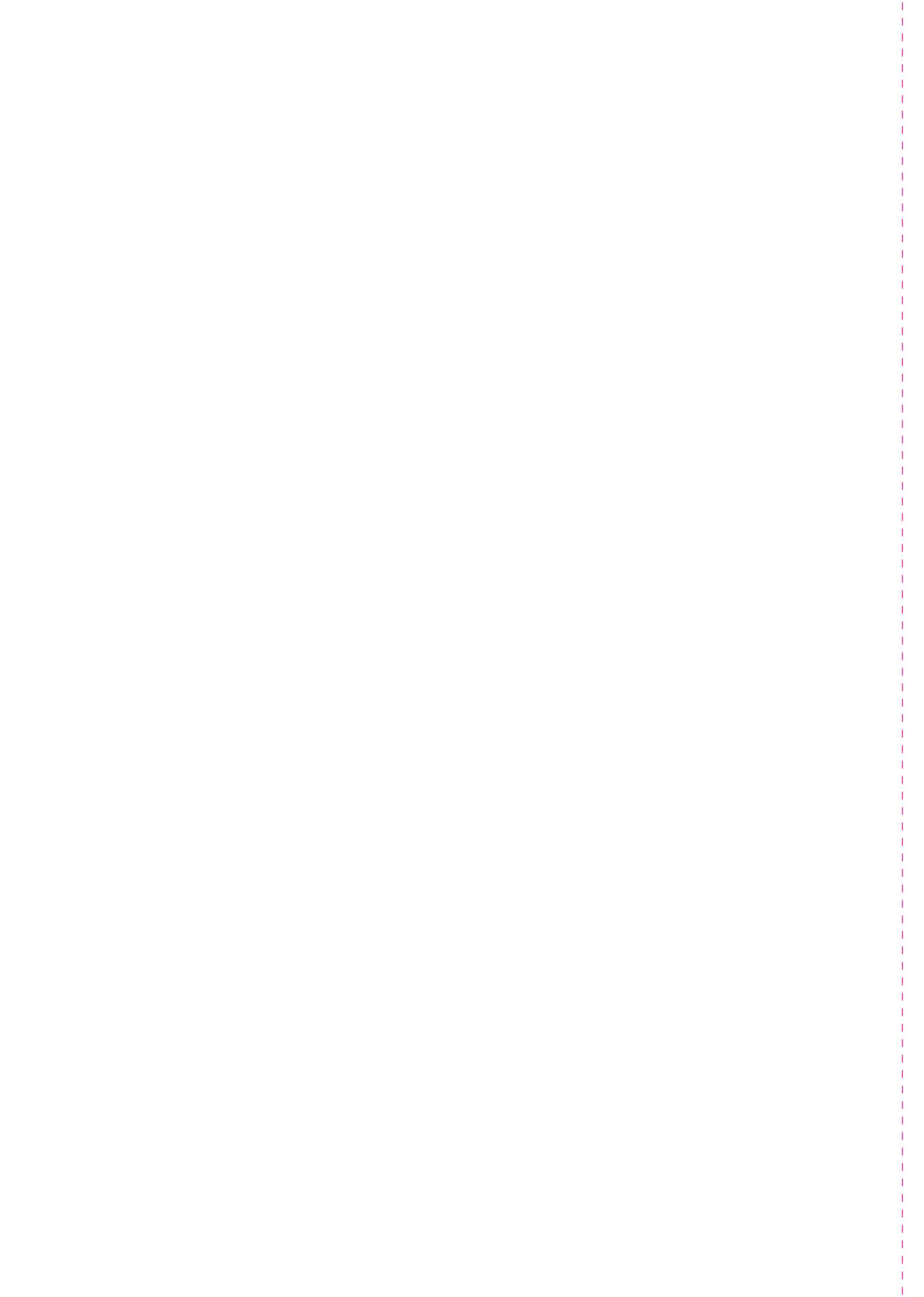
hereby certify that:

1. By deed dated (date of instrument creating the power of attorney),
 (full name of person/body corporate which granted the power of attorney) of
 (place and country of residence of person/body corporate which granted the power of attorney')
Appointed me attorney; (his/her/its)
2. That I have executed the application for Bonds printed on this Application Form under that appointment and pursuant to the powers thereby conferred on me; and
3. That I have not received notice of any event revoking the power of attorney.

SIGNATURE OF ATTORNEY

Signed at this day of 2015

† If a donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.





The company is a member of the Sustainable Business Council (SBC).

The SBC is a coalition of leading businesses united by a shared commitment to sustainable development via the three pillars of: economic growth, ecological balance and social progress. Its mission is to provide business leadership as a catalyst for change toward sustainable development and to promote eco-efficiency, innovation and responsible entrepreneurship.



CEMARS®. A world-leading greenhouse gas (GHG) certification programme and the first to be accredited under ISO 14065. It ensures consistency of emissions measurement and reduction claims. CEMARS certification was developed at one of New Zealand's leading Crown Research Institutes, Landcare Research. It recognises and rewards the actions of businesses that measure their GHG emissions and puts in place strategies to reduce those emissions.



FTSE4Good

The Warehouse is a constituent company in the FTSE4Good Index Series.

The FTSE4Good Index Series has been designed to objectively measure the performance of companies that meet globally recognised corporate responsibility standards.

